THE Public Interest

NUMBER 113, FALL 1993, PRICE: $5.50

Should Hate be a Crime?

James B. Jacobs

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BOOKS IN REVIEW

Aaron Wildavsky on the underclass
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THE PUBLIC INTEREST (ISSN-0033-3557) is published quarterly by National Affairs, Inc., and appears in Winter, Spring, Summer, and Fall issues. Its office of publication is at 1112 16th Street, NW, Suite 530, Washington, DC 20036. Telephone: (202) 785-8555. If you have a problem with your subscription, please call (800) 783-4903. Subscription price: $21 for one year, $38 for two years, $54 for three years. Add $3 annually for Canadian and foreign subscriptions. Unsolicited material cannot be returned unless accompanied by sufficient return postage. Back issues are available for $6. Second-class postage is paid at Washington, DC, and at additional mailing offices. ©1993 by National Affairs, Inc. Postmaster: Please send all changes of address to *The Public Interest* Subscription Office, Dept. PI, P.O. Box 3000, Denville, NJ 07834. Articles appearing in this journal are abstracted and indexed in *Reader's Guide, P.A.I.S., Historical Abstracts, ABC Pol Sci, Social Science Index, Sociological Abstracts, Academic Abstracts, Social Science Source,* and *America: History and Life,* and are available on microfilm from University Microfilms International. *The Public Interest* is printed by William Byrd Press.

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Subscription Office
The Public Interest, Department PI
P.O. Box 3000
Denville, NJ 07834

Newsstand Distributors
Bernhard DeBoer, Inc.
113 Centre Street
Nutley, NJ 07110

Ingram Periodicals, Inc.
1226 Heil Quaker Boulevard
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Should hate be a crime?

JAMES B. JACOBS

ON MAY 29, 1989, a white man, David Wyant, occupied a campsite next to Jerry White, an African-American. White complained to the park authorities that Wyant was playing his music too loudly during "quiet hours." White and his companion later heard three comments directed at them from the Wyants' campsite: 1) "We didn't have this problem until those niggers moved in next to us"; 2) "The black motherfucker over there; I will take this gun and kill him"; 3) "In fact, I will go over and beat his black ass now."

On the basis of these statements, without any accompanying conduct or evidence that there actually was a gun, Wyant was convicted of "ethnic intimidation" and sentenced to eighteen months incarceration.

State v. Wyant is the kind of case that ought to be carefully considered by proponents of hate crime legislation. The imagery that animates the passage of such legislation posits hardcore racists and anti-Semites waging a systematic campaign against blacks and Jews. By contrast, most of the cases that are labeled

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hate crimes result from impulsive behavior or situational disputes, often involving juveniles. One could easily think of the *Wyant* case as a fight about noise at a campground that activated the defendant's racial prejudice. Such prejudice is certainly not pretty but, unlike hardcore neo-Nazism, is widespread and often bubbles to the surface in the arguments, altercations, and conflicts that punctuate life in a multi-racial and multi-ethnic society. This kind of prejudice certainly needs attention, but not the kind of attention that is provided by elevating an occasional low-level, harassment-type crime into a serious offense.

The problem of motive

Wyant also reveals a more serious flaw in hate crime legislation. Criminal law has long struggled to define the criminal intent (*mens rea*) that transforms a harm into a crime. Defining criminal motivation is even trickier, because it requires getting to the *source* of the defendant's intent. For this reason criminal law generally has steered clear of motivation.

Motivation is particularly problematic in hate crime cases because the presumed motive, "prejudice," defies precise definition. According to the *International Encyclopedia of the Social Sciences*:

> Prejudice is not a unitary phenomenon ... [I]t will take varying forms in different individuals. Socially and psychologically, attitudes differ depending upon whether they are the result of deep-seated personality characteristics, sometimes of the pathological nature, of a traumatic experience, or whether they simply represent conformity to an established norm.

Indeed, some people speak of prejudice as being unconscious as well as conscious. Consider the view of Charles Lawrence III, an influential professor of law at Stanford University:

> Americans share a common historical and cultural heritage in which racism played and still plays a dominant role. Because of this shared experience, we also inevitably share many ideas, attitudes and beliefs that attach significance to an individual's race and induce negative feelings and opinions about non-whites. To the extent that this cultural belief system has influenced all of us, we are all racists. At the same time, most of us are unaware of our racism.... In other words, a large part of the behavior that produces racial discrimination is influenced by unconscious racial motivation.

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If prejudice is this pervasive, subtle, and complex, the criminal justice system will certainly have a hard time sorting out which interracial crimes are motivated by prejudice and which are not. Moreover, recent efforts by law enforcement agencies and courts to define hate crimes more precisely do not inspire confidence. For example, the U.S. Department of Justice Guidelines, which set out the government's criteria for labeling a hate crime, define ethnic prejudice as a "preformed negative opinion or attitude toward a group of persons of the same race or national origin who share common or similar traits, languages, customs, and traditions." If the prejudice required is no more than "a preformed negative opinion," most interracial crimes could be prosecuted as hate crimes.

Prosecutors in hate crime cases must prove not only that the defendant was prejudiced, but that prejudice motivated his crime. But must prejudice be the sole or primary motivation, or simply a contributing motivation? If prejudice must be the sole or the primary motivation, it will be very difficult to prove a hate crime, since criminal behavior, like all behavior, is almost always motivated by many factors.

If, however, prejudice must be merely a contributing factor, practically any interracial crime could be prosecuted as a hate crime. Contemplate, for example, the percentage of interracial muggings, robberies, and assaults in bars that might be said to be "in part" attributable to a preformed negative opinion about the victim's racial group. Thus far, courts and legislatures have opted for an inclusive interpretation, so that in most jurisdictions the prosecution has to prove only that the criminal conduct was "in whole or in part" attributable to prejudice.

In labeling hate crimes there is immense potential for confusion and arbitrariness. In New York City, the police are instructed not to apply the hate crime label to an offense that started off as something else (e.g. a fight over a parking space) and then escalated into name calling. But they are also instructed: "If after applying the [eleven] criteria listed and asking the appropriate questions, substantial doubt exists as to whether or not the incident is bias motivated or not, the incident should be classified as bias motivated for investigative and reporting purposes."

It is uncertain where things will go from here. Police commissioners and politicians obviously will not wish to have their

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cities labeled the "hate crime capital." Yet they are also under constant pressure from advocacy groups to recognize racism, anti-Semitism, and homophobia, and they are vulnerable to criticism when they do not denounce, label, investigate, and prosecute various offenses as hate crimes. So there will probably be a tendency to err on the side of inclusion.

The First Amendment

In *R.A.V. v. St. Paul* (1991), the Supreme Court, in an opinion by Justice Scalia, held unconstitutional on First Amendment grounds a St. Paul hate ordinance that outlawed symbolic speech (including cross burning and swastikas) which insults or provokes violence on the basis of race, color, creed, religion, or gender.

Although *R.A.V.* dealt with an ordinance that prohibited offensive "fighting words," the decision also cast a cloud over laws that enhance sentences for ordinary crimes (e.g. harassment, assault, rape) motivated by particular prejudices. Critics of such laws charge that enhancing the sentence of an offender for conduct motivated by politically disfavored opinion, thought, or belief also violates the First Amendment. Adopting that view, the Wisconsin Supreme Court held the state's hate crime enhancement statute to be unconstitutional: "the Wisconsin legislature cannot prohibit bigoted thought with which it disagrees."

In *Mitchell v. Wisconsin* (1993), however, the U.S. Supreme Court overruled the Wisconsin Supreme Court. Chief Justice Rehnquist's opinion for a unanimous Court noted that, "whereas the ordinance struck down in *R.A.V.* was explicitly directed at expression, the statute in this case is aimed at conduct unprotected by the First Amendment." The Court also rejected as "simply too speculative" the defendant's argument that the statute would have a chilling effect on speech, causing citizens to fear making prejudiced or racist statements or engaging in politically disfavored activities (reading, memberships, etc.) lest their words or deeds be used against them at some future criminal trial.

In response to the defendant's claim, the Court explained that "the First Amendment does not prohibit the evidentiary use of speech to establish the elements of a crime or to prove motive or intent." Thus, according to the Court, the admissibility of speech, speech-related, or associational activity can be properly

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managed under long-established evidentiary rules of relevancy and reliability.

That may turn out to be wishful thinking. In *Mitchell*, there was testimony of a close relationship between racist speech and criminal conduct—the defendant said to his friends: "Do you feel hyped up to move on some white people?" and "You all want to fuck somebody up? There goes a white boy; go get him." Clearly, this racist speech immediately preceding the brutal assault was relevant to proving that Mitchell had selected his victim because of racial prejudice. But how will the criminal justice system deal with beliefs, words, or associations that are not as closely connected to the criminal conduct?

In interracial cases, should the police routinely investigate the defendant's prejudices: what publications he subscribes to, what organizations he's a member of, what jokes he tells, what stereotypes he holds? Suppose, in *Mitchell*, that several days or weeks earlier the defendant had told friends or co-workers that he wanted to retaliate against whites for the injustice portrayed in the movie *Mississippi Burning*. Since prejudice would be an element of the offense, the defendant's conversations and activities regarding prejudice would definitely be relevant and, in my judgment, admissible. I am also led to this conclusion by cases like *People v. Aishman* (1993), where the fact that one of the defendants wore two tattoos, one a swastika and another reading "Thank God I'm White," was held admissible in considering whether the defendant selected his Mexican-American victim because of ethnicity. While admitting such evidence may not be unconstitutional, it certainly is not consistent with the spirit of a strong First Amendment. It bristles with potential for defendants to be convicted or sentenced more harshly because of their "bad" beliefs and attitudes.

In an effort to defend against a hate crime charge, some defendants may try to prove their lack of prejudice by introducing evidence of non-racist speech, memberships, and activities. How could a judge rule such evidence irrelevant? If the defendant is permitted to adduce such evidence, however, the prosecutor will almost certainly be allowed to introduce rebuttal evidence of the defendant's racism.

Thus, there is the all too likely possibility that hate crime trials will degenerate into inquisitions on the defendant's beliefs,

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attitudes, and personality. In *Wyant*, the attempt to determine the defendant's motivation led to the following cross-examination:

> Q: And you lived next door to [Mrs. Ware, a 65-year old black neighbor of the defendant's] for nine years and you don't even know her first name?
> A. No.
> Q. Never had dinner with her?
> A. No.
> Q. Never gone out and had a beer with her?
> A. No.
> Q. Never went to a movie?
> A. No.
> Q. Never invited her to a picnic at your house?
> A. No.
> Q. Never invited her to Alum Creek?
> A. No, she never invited me nowhere, no.
> Q. You don't associate with her, do you?
> A. I talk with her when I can, whenever I see her out.
> Q. All these black people that you have described that are your friends, I want you to give me one person, just one who was really a good friend of yours.

Examinations like this one are unlikely to ease racial tension. Rather, they seem more likely to turn hate crime trials into character tests of the most pernicious kind and to widen social divisions.

Even if judges find a way to limit cross-examinations and the admissibility of speech and thought evidence, the defendant's arguably racist words and thoughts will still be ventilated at pretrial and trial hearings on the admissibility of evidence. Even if the jury does not hear the evidence, the media can and will seize on the defendant's beliefs as newsworthy. With prejudice the key factor distinguishing hate crime from ordinary crime, the inevitable result will be the further politicization of the criminal justice process. That can only have a negative effect on racial and other intergroup relations in American society.

Hate crime politics

On the one hand, to denounce hate crimes is to affirm the goal of a fair and tolerant society. On the other, to highlight the prejudicial and racial aspects of as many crimes as possible,

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transforming the crime problem into a prejudice problem, is to present an unduly bleak picture of the state of inter-group relations and rub salt into the wounds of festering angers and prejudices. Rather than defining violence as a social problem that unites all Americans in a search for a solution, this new approach defines the problem as a composite of different types of intergroup hate, and so may divide the political community.

In the last several years, New York City has experienced a new kind of political controversy: whether a particular crime merits denunciation as a hate crime by the criminal justice system, mayor, police commissioner, and media. These high visibility controversies put the politicians and police brass in a no-win situation. If they do not utter the words "hate crime," they are excoriated by the victim's group for bias and insensitivity. If they do apply the hate crime label, they are similarly criticized by the perpetrator's group for bias, hasty judgment, and double standards.

When the gang rape of the Central Park jogger was not classified as a hate crime (because a few of the victims of the marauding youths were black or Hispanic), some journalists charged that there exists a double standard, whereby white-on-black crimes are labeled hate crimes, while black-on-white crimes are not. Some women expressed outrage that a gang rape was not considered a hate crime regardless of the racial element. Meanwhile, some black observers denounced the prosecution of the youths as itself racist. To take another example, after Mayor Dinkins forcefully denounced the beating of Ralph Nimmons, a homeless black man, as a bias crime, the Jewish Lubavitcher community reacted angrily to the hate crime charge, claiming that Nimmons had been apprehended burglarizing a school.

The very existence of the hate crime label raises the political and social stakes in intergroup crimes. Groups are beginning to keep score cards. Applying or failing to apply the hate crime label triggers heated political battles. The result is not greater racial and ethnic harmony, but exacerbated social conflict.

Adding hate crime charges in high-visibility interracial cases can make them even more socially divisive. Consider the pending trial in Los Angeles of two black defendants charged with pulling Reginald Denny, a white driver, out of his truck and brutally beating him. What good would be served in charging

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the defendants with a hate crime and trying to demonstrate their racial prejudice? Doing so would politicize the trial even more, and, given the seriousness of the charges, would have little effect on the actual punishment.

In cases like this, prosecutors frequently do not want the jury to focus on racial prejudice. The fear is a jury polarized along racial lines. Indeed, in the Denny trial and other high-visibility interracial prosecutions, defendants have attempted to turn their trials into referenda on the racist exercise of police and prosecutorial discretion.

The basic civil rights paradigm posits whites as the prototypical discriminators or offenders; it does not contemplate discrimination by minorities against whites or against one another. Blacks and Hispanics, however, are disproportionately involved in violent crimes. Most of these are intragroup, but many are against whites and members of other minority groups.

While violence by whites against blacks occurs all too frequently, blacks also commit many crimes against whites. Thus, unlike other civil rights legislation and jurisprudence, hate crime laws will not necessarily work to advance the interests of all black Americans (although they might arguably advance the interests of nearly all gays and lesbians, who rarely engage in "heterosexual bashing"). Indeed, at some point in the future, some supporters of hate crime laws may be dismayed to find that these laws are frequently used against black offenders. Anticipating this outcome, several student law review writers have urged that hate crime laws should apply only (or more easily) to white defendants. To my knowledge, these proposals have not been seriously considered by state legislatures.

The politics of victimization

Hate crime legislation attempts, as noted, to import the civil rights paradigm into criminal law. Some groups are defined as needing special protection against discriminatory treatment, albeit not at the hands of government officials or employers, but *at the hands of criminals.*

If such a status is available, every conceivable minority group will naturally lobby to be included. If the law says that criminal conduct motivated by racism warrants enhanced punishment, why shouldn't criminal conduct motivated by sexism and homophobia

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also be covered? Not surprisingly, many women cannot understand why rape and spouse abuse do not qualify as hate crimes motivated by gender prejudice. Gays and lesbians, who in other contexts have not been fully successful in obtaining recognition as a bona fide minority group entitled to social, legal, and economic advantages, have argued with incontrovertible logic that to ignore the history of gay-bashing in the formulation of hate crime legislation would itself constitute an act of blatant prejudice.

Women and gays and lesbians are slowly obtaining inclusion in hate crime statutes, although their inclusion is by no means universal or uncontroversial. In the state of New York, for example, the legislature has refused to pass a hate crime law that includes gays and lesbians. Some state legislators also have argued that the victimization of women is already recognized in specific criminal statutes. Perhaps without fully realizing it, legislators are resisting the temptation to expand the hate crime label to the extent that it becomes nearly co-extensive with crime itself.

But some states, like Wisconsin, include prejudice based upon mental or physical disability in their hate crime statutes. Many other prejudices will undoubtedly be recognized over time (age, marital status, political memberships and beliefs). To exclude any group, once it petitions to have its victimization recognized as equivalent to that of other groups, would provoke justifiable anger. Except where a particular prejudice enjoys substantial support (e.g. anti-gay sentiment in some states), politicians will almost certainly bestow hate crime victim status on practically any group that can make its voice heard; there is no political payoff in opposing such a demand. Eventually, a large percentage of all crimes could qualify for secondary condemnation as hate crimes. At that point, those whose victimizations do not fall within any hate crime category might feel discriminated against.

Hate crime law fits uneasily within the civil rights paradigm. Civil rights laws attempt to extend positive rights and opportunities to minorities and women. They are directed at the conduct of government officials and private persons who govern, regulate, or sell goods and services. By contrast, hate crime law deals with *conduct that is already criminal and with wrongdoers who are already criminals*. The possibility that criminals can be threat-

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ened into not discriminating in their choice of crime victims seems slight. Whether the criminal law can be employed successfully in eradicating or reforming deep-rooted prejudices is doubtful.

Enhancing deterrence

The horrendous crimes that provide the imagery and emotion for the passage of hate crime legislation are already so heavily punished under American law that any talk of "sentence enhancement" must be primarily symbolic. In fact, we have all the criminal and sentencing law we need to respond severely and punitively to criminal conduct inspired, in whole or in part, by prejudice.

I do not mean to say that the availability of enhanced punishments for hate crimes can never have any practical implications. When new powers are given to police and prosecutors, they will be used and from time to time make a difference. This is more likely to happen in low-level crimes which, because of overloaded dockets and jails, would otherwise fall through the cracks but for the added emphasis that a hate crime label might provide.

In speculating about the possible deterrent effect of hate crime laws, we need also take into account some facts about the offenders who commit these crimes. According to data from New York City and Los Angeles, the majority are teenagers. In New York City in 1990, over 50 percent of hate crime arrestees were under the age of nineteen, and over 20 percent were under sixteen. Ironically, hate crime laws do not apply to juveniles who are charged with "delinquency" rather than with specific code offenses. Moreover, when juveniles are convicted they are "committed" to juvenile institutions for indefinite terms, not "sentenced"; thus, sentencing enhancement statutes are not applicable. Even if they were, the youthful offenders who are arrested for such crimes are often alienated, impulsive, and generally hostile, hardly the kind of individuals likely to be deterred by sentencing enhancements.

Even if the new wave of hate crime laws does not deter any hate crimes, some advocates believe these laws are justified because hate crimes are "worse" than other crimes in the same generic offense category and so deserve greater punishment. I

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agree that certain extremely violent, racist crimes warrant the most intense condemnation, but I would not be prepared to say that these crimes are without moral equals. Is it invariably worse to be raped by someone who hates you because of your race, rather than for your gender, appearance, social class, or for no reason at all? Is a racially bigoted rapist deserving of more condemnation than a "merely" hostile and anti-social rapist? Does it really matter whether the rapists in the Central Park jogger case were motivated in whole or in part by racism?

The most horrible crimes—murder, rape, kidnapping, arson—are so devastating that it seems to deprecate the victim's pain and anguish to conclude, as the hate crime laws do, that there is more trauma if the perpetrator is a bigot as well as a brute. If distinctions must be made, wouldn't a more neutral statute make more sense; i.e. a rape warrants enhanced punishment if it involves terror, torture, or substantial gratuitous violence beyond the rape itself? Sentencing law already provides this option in many states.

Those who lobby for more hate crime laws claim that a crime motivated by prejudice ought to be punished more severely than other crimes because the effects ripple out beyond the individual victim; all members of the victim's group are made less secure and, depending upon which groups are involved, there may be retaliation or group conflict. Once again, I believe that this conclusion is applicable to some hate crimes, but I do not believe that every hate crime (e.g. an act of shoving on the subway) generates serious social instability. Moreover, all sorts of crimes have serious social repercussions: carjackings, shootings and stabbings in schools and housing projects, "wildings" in parks, shootouts by rival gangs and drug dealers, and murderous attacks in subways. Over the last several decades, fear of crime has been a prime reason that hundreds of thousands, perhaps millions, of people have moved from cities to suburbs or from one neighborhood to another. Thus, it is surely an exaggeration to say that hate crimes are unique in their impact on people beyond the immediate victims.

The wrong tool

While many civil rights advocates view the passage of hate crime laws as a step toward the reduction of hate crimes and

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prejudice generally, I am skeptical. To fragment criminal law into specialized laws recognizing a moral hierarchy of motives and offender/victim configurations will have little, if any, crime-control benefit, while carrying serious risks for race relations and social harmony. The attempt to extend the civil rights paradigm to crimes committed by one private party against another is well-meaning but misguided. Prejudice and hate will not be stamped out by enhancing criminal penalties, and considerable damage may result from enforcing these laws. The new hate crime laws both reflect and contribute to the politicization of the crime problem and the criminal justice process, especially around issues of race, and thereby exacerbate social divisions and social conflict.

Reducing prejudice and hate must be a high priority for American society, but more criminal law is the wrong tool. We should exhaust all other strategies of social education and institution-building before pinning our hopes on the criminal law, which has, at best, a very unimpressive record in ameliorating social problems.

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The contraception paradox

JESSICA GRESS-WRIGHT

THE DEBATE over contraception is an old one. In 1916, Margaret Sanger, the founder of Planned Parenthood, was thrown in jail for offering advice and contraceptives to married women in Brooklyn. But the present controversy over giving contraceptives to teenagers dates, like so much else in the American culture wars, from the early 1970s, when contraceptives first became available to teens through publicly funded family planning programs.

As births to unwed teens rose throughout the 1970s, conservatives increasingly resented the thought that they were paying taxes to support programs that encouraged the sexual misbehavior of their own children. This resentment found formal expression in January 1981, when Richard Schweiker, President Reagan's newly appointed Secretary of Health and Human Services, declared that doctors treating unmarried teenagers under Medicaid should not be permitted to prescribe contraceptives. This statement aroused such sharp criticism that Schweiker was silenced. His Assistant Secretary of Health, Dr. Edward Brant, Jr., was

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soon at pains to reassure the public (and the interest groups responsible for much of the outcry) that the government considered support of family planning services a "necessity."

Such support is not cheap. Since 1970, the federal Office for Family Planning has spent more than $4 billion to provide women with physical exams, counseling, and contraceptives. Federally funded programs serve 4.5 million women today, of whom a million and a half are teens. Services are provided through 5,100 family planning agencies, of which the oldest and largest is Planned Parenthood. Through its network of 691 affiliated clinics, Planned Parenthood offers contraceptive counseling and prescriptions to over a million clients, while its education programs serve another million. To conservatives, Planned Parenthood's influence, public funding, and stand on teenage sex have made it the very symbol of deliberate decadence. Catholics United for Life once wrote that "Planned Parenthood is anti-life and anti-family and opposes all our Christian values."

While there are obvious differences of opinion here, liberals and conservatives do share some common ground. Both sides agree that raising children is not something to be undertaken lightly. Both sides also agree that it is best if teenagers delay reproduction. The disagreement is over how.

Preventing pregnancy, controlling sex

Sex education programs, such as those sponsored by Planned Parenthood, seek to delay reproduction by preventing pregnancy rather than preventing sex. Advocates of such programs assume that sex among teenagers is commonplace and neither can nor should be stopped. In this view, the better the sex education and the easier the access to contraceptives, the lower the rate of teenage pregnancy.

Conservatives, particularly among the religious right, seek to delay reproduction by controlling sex. They argue that the federal policy of making counseling and contraceptives easily available has done nothing to stabilize, much less reduce, teenage pregnancy. Indeed, they argue, the policy has had the perverse effect of increasing teen pregnancy. Distributing contraceptives encourages early and inappropriate sex, they say, by adding tacit adult approval to already existing social pressures. Moreover, since teens are such poor users of contraceptives, more sexual

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intercourse results in more pregnancies, while the moral assumptions implicit in the contraceptive approach guarantee that many of these pregnancies will end in abortion.

Sex in Sweden

As the contraception debate rages on, the pregnancy rate continues to rise. Around one million teens—10 percent of American teenage girls—become pregnant each year. Conservatives point to this and argue that the polices of the past two decades have been a miserable failure, while liberals argue that what is needed is more—not less—of the same.

Evidence from other countries, however, suggests that both sides are mistaken. Consider the case of Sweden. Unlike the U.S., Sweden has low and even falling rates of teen pregnancy and abortion. Yet Sweden does not have abstinence programs like those advocated in America—quite the opposite.

In 1974, the Swedish sex-education curriculum was officially revised. Under the new curriculum, commitment was still stressed, but "panegyrics to marriage" were dropped. The curriculum also eliminated "the general recommendation of restraint when young." The curricular reform commision, accommodating and encouraging changes already taking place in popular opinion, directed that teachers emphasize to students that sex is natural; that a person without a developed sexuality is deficient; that premarital sex is to be expected; that cohabitation and childbearing outside of marriage are acceptable; and that even adultery is tolerable. The new curriculum constituted a decisive repudiation of all Judeo-Christian teaching on sex.

Unsurprisingly, perhaps, surveys have found Swedish teens to be quite sexually active. A 1976 study in Stockholm found that 80 percent of boys and 89 percent of girls were sexually experienced by age nineteen. Other studies have come up with figures of around 80 percent for both sexes.

When the first reliable American survey was taken in 1971, it found that just 30 percent of unmarried girls between fifteen and nineteen were sexually active. By 1979, 50 percent of girls were sexually active by nineteen, yet American nineteen-year olds were still four times as likely as Swedish nineteen-year olds to be virgins.

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Sex education

The sharp difference in U.S. and Swedish teen pregnancy rates must have some explanation other than the level of sexual activity—and that explanation is contraception. Nearly two-thirds of the tenth-grade girls in an Uppsala survey used a contraceptive at first intercourse, as opposed to 20 percent of Americans in a similar study. Later, the Uppsala teenagers were even more careful. Eighty-two percent used contraception, and they were more likely than American teens to use highly effective methods such as the pill and IUD. A 1979 survey of sexually active teens in America found that only 34 percent always used contraceptives; another 39 percent used them inconsistently. Twenty-seven *percent never used contraceptives* at all.

Why are Swedish teens more conscientious than Americans? Better sex education would seem to be one answer. Sex education has been compulsory in Sweden since 1956, and today Sweden has the most comprehensive sex education program in the world. Those who measure the sexual knowledge of American teens, on the other hand, routinely deplore the ignorance they discover.

Yet lack of sex education cannot explain everything. Even very young, very poor American teens know the basics of how babies are made, and that it is possible to prevent pregnancy. Sex education is available, moreover, in 80 percent of urban school districts and to an estimated 70 percent of girls aged fifteen to nineteen. Yet teen pregnancy rates are highest in precisely those areas where sex education is most available and most sophisticated.

Sex education may not even be necessary. A study that compared the contraceptive knowledge of Italian and Swedish adolescents found that 98 percent of the teens from a small town in a very traditional area of southern Italy, where the schools were forbidden to teach sex education, strongly believed that the schools ought to provide such education. The Italian teens assumed that, without formal instruction, they must be ignorant. Yet they scored as well or better than the Swedes on tests of reproductive and contraceptive knowledge. (Nonetheless, the Swedish teens seem able to use contraceptives successfully even on the basis of shaky knowledge.)

If sex education is not the whole answer, then perhaps easy

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access to contraceptives is. If only contraceptives were available at low cost, without guilt or shame, it is frequently argued, then American teens, who are having sex anyway, would at least not have babies, too.

It is true that Swedes have easy access to low-cost, effective contraceptives, and that, in general, Americans must search somewhat harder and pay more. But even if easy access to contraceptives and good sex education could somehow explain the different teen pregnancy rates in Sweden and America, they cannot explain the differences *within* America. And those differences are big.

Race matters

Adolescent motherhood is a problem for both black and white Americans. The incidence of unwed motherhood is actually rising faster for whites than blacks; unwed mothers now account for 23 percent of all white births. But the problem is far greater among blacks. Sixty-four percent of black births are out-of-wedlock. Of births to black teens in 1983, nine out of ten were out-of-wedlock (compared to four out of ten for whites). Forty-one percent of black women have a child by the time they are twenty. The black adolescent pregnancy rate is the highest in the developed world.

Of course, many black adolescents do not have babies. A black teen is more, not less, likely than a white to abort a given pregnancy; 65 percent of black teen pregnancies end in abortion. Moreover, black teens who use contraception are more likely than whites to use modern, effective methods such as the pill, rather than old-fashioned methods such as withdrawal, perhaps because they are more likely to have access to a clinic and to free prescriptions. But the sheer number of black teen pregnancies overwhelms these moderating effects.

How can we explain the diffference in black and white teen pregnancy rates? Differences in income and educational level might seem obvious answers, but once these are controlled for, the black rate is still higher. (Poverty and poor education, moreover, cannot explain why teen motherhood is so much more prevalent among blacks today than forty years ago, when overt discrimination was rampant, poverty worse, and schools formally segregated.)

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As for access to family planning services, it seems to be somewhat easier for black teens. They are more likely than whites to be eligible for free or low-cost contraceptives and counseling at government-funded clinics. White teens tend to see private doctors—often their family doctors—and frequently must pay full price for counseling and contraceptives. And while white teens tend to fear discovery by their parents, black teens are more confident that parents and neighbors will approve.

One reason for the high black pregnancy rate could be that black teens are sexually active at an early age, on average a full year earlier than white American teens. But adolescents in other countries also start sex early, and the sexual pattern of American black teens is, in fact, remarkably similar to that of Swedes. For both groups, intercourse typically begins in the mid-teens, and about 85 percent are sexually experienced by the time they are nineteen. Yet the Swedish teens do not get pregnant.

A question of motivation

The evidence from Sweden undermines the conservative hypothesis that sex is the root of the teen pregnancy problem. And the comparative evidence from America undermines the liberal hypothesis that contraceptives and sex education are the answer. Out-of-wedlock births are most likely in the very urban neighborhoods where family planning services are cheapest, where school clinics are available, and where elaborate programs to encourage teens to use contraceptives are most prevalent.

Precisely because the familiar explanations no longer suffice, those who study teenage pregnancy, including those most sympathetic to the plight of teenage mothers, are beginning to ask themselves whether a lack of motivation to prevent pregnancy, rather than a lack of opportunity, may explain why American teens—especially black teens—have such high rates of pregnancy and are so likely to bear children young.

We know that there are sharp cultural differences between American blacks and whites in the expectations and attitudes that surround sex and childbirth. Both groups value marriage and both groups have high educational and job aspirations. But unlike white teens, black teens perceive little stigma in premarital sex or out-of-wedlock childbirth, and many expect approval from their peers and support from their families.

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Early childbirth is also something of a tradition among blacks. In 1950, for example, many more black than white teens were mothers, and these black teens later went on to have much larger families. Black communities tend to tolerate and even expect early motherhood. And blacks have traditionally relied upon relatives and extended family for aid, which makes adolescent childbearing easier.

But appeals to a distinctive black culture cannot explain changes over time within the black community. In the early 1950s, 74 percent of black mothers had their first child within marriage. Of those mothers who did have a child out-of-wedlock, three-quarters eventually married. Even as late as 1970, 30 percent of black teen births were to married girls.

Today teen marriage has nearly disappeared, but black Americans, unlike whites, have not delayed childbearing, even though the prospects of supporting a family on one youthful income are dim. A substantial minority of black teens, in fact, *wants* to have a child before marriage. For more than a third of black women, the connection between family formation and childbearing has not just shifted but reversed. Reproduction is preceding its prerequisites, independence and adulthood. The consequences are severe. By refusing to delay childbearing, many black teens are condemning themselves to lives of dependency.

Work and family

There is one other developed country that has suffered a sudden increase in unwed teen motherhood: Great Britain. Britain, like Sweden, is a welfare state with a national health care system. Contraceptives and abortion are easily available, as in Sweden. But Britain's rate of unwed teenage motherhood, like America's, is rising fast and has become a major public issue. In 1957, less than one in twenty British babies were illegitimate; in 1985, one in five were. British teens are much more likely than Swedish teens to be indifferent users of contraceptives, to become pregnant, to oppose abortion, and to carry the child to term. Even more than American teens, they are likely to keep the child and raise it on the dole. Clearly, availability of contraceptives, even paired with a national health system, is not enough to prevent teen motherhood.

But if neither poverty, lack of contraceptives, lack of sex

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education, nor even sex itself can explain the rise in unwed teen motherhood, what can? How is it that adults in Sweden have succeeded in persuading teenage girls to delay childbearing, while equally well-meaning adults in Great Britain and America have not?

One possible explanation is the very different life cycles in the three countries. While Swedish women begin sex at an early age, they are serious about their education. As they grow older, they become strongly attached to the labor market. Eighty-six percent of mothers with children under six are in the labor force (although at any one time, many are temporarily unemployed or on paid maternity leave).

This strong labor market attachment results in childbearing that is precise and uniform. Ninety percent of Swedish women, near the biological maximum, become mothers. Very large families are rare, however; women have an average of two children. It can be difficult and expensive to accommodate more, as cars, houses, and even the packages of frozen food at the supermarket are designed with the four-person family in mind. The government subsidies that make raising two children so affordable, moreover, are paid for by high taxes that make raising four children almost impossible.

This uniformity of childbearing extends not just to the number of children, but to the timing of their births. The strong emphasis on school and work means that childbearing is delayed very long, until an average age of twenty-six. Swedish mothers then space their children, on average, about twenty-two months apart, which enables mothers to take maximum advantage of a special maternity leave provision and, incidentally, allows them to finish their childbearing quickly and return to the labor market.

In Great Britain, by contrast, women have entered the labor market more slowly. The image of a young mother at home with her children, obsolete in Scandanavia for two decades or more, is still plausible to many British teens. American women, too, have much more ambivalent attitudes toward combining work and family than do Swedish women. Despite the rise of the two-income family, a majority of American women would prefer to be home with their young children if they could afford it. In both the U.S. and Great Britain, many still see the role of

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housewife and mother as an honorable alternative to a lifelong career outside the home, and the family as the most important institution in society.

We know that work outside the home both delays and depresses childbearing. This is one of the best established facts of demographics. It should not surprise us, then, that girls who expect to work outside the home are much more likely than girls who do not to use contraceptives carefully and delay childbearing. One way to find out whether teens expect to work is to ask them about their educational and employment aspirations. American girls, it turns out, have high aspirations, yet still become pregnant. They seem not to act in a way that would allow them to fulfill their ambitions. This is even more true for black teens. Their educational and employment aspirations are higher than those of whites, once family background is controlled for. It seems that while virtually all Swedish teens concretely prepare for a job, many American teens—especially black teens—aspire vaguely to a career.

Motherhood and money

This leaves us with a conundrum. What is it about living in America and Britain that makes the disastrous decision to become an unwed teen mother so attractive? There are no firm answers, but there are some hints. In America, opportunity cost appears to be a very important influence on the decision to abort. Women who expect relatively high wages are far more likely to abort an unplanned pregnancy than are women who expect lower wages. In Sweden, wages even for unskilled women are frequently two to three times the American minimum wage.

Another, more significant, difference between the countries lies in welfare payments to single mothers. In Sweden, only a quarter of single mothers receive means-tested benefits. Swedish mothers expect state support, but in the form of unemployment and maternity-leave benefits, which are available only to women attached to the labor market. In the U.S. and Great Britain, unwed mothers can rely on a dole that permits them (pace nominal workfare requirements) to stay home. When free time and health benefits are added to the secure, if low, income of welfare, teen motherhood may seem a reasonable alternative to a lonely independence eked out on the minimum wage.

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This is an old and controversial argument. Many have disputed the suggestion that teenage mothers are much influenced by economic incentives. It is frequently pointed out that the number of unwed mothers has continued to rise despite declines in the real value of welfare grants. But while it is true that the value of cash grants has declined from a high in the mid-1970s, new calculations suggest that once the value of additional benefits, such as food stamps, Medicaid, and free school lunches, is calculated in, the total economic value of the welfare package has risen in tandem with the growth of welfare caseloads. Life on welfare may indeed be economically rational in countries such as the U.S., where the wages of unskilled women are relatively low.

This is not to say that the problem of teen motherhood can be solved overnight by a tripling of the minimum wage. The high minimum wage is a blunt tool, and, as the Swedes are discovering, a tool that even committed welfare state governments can hardly afford. Nor is this to suggest that mandatory workfare is the solution. In the Netherlands, mothers with young children are less likely to work than in America, yet the teen pregnancy and abortion rates there are even lower than in Sweden.

American ambivalence

Comparisons with Sweden and Great Britain suggest that America's difficulties with teen childbearing and abortion can be traced partly to continued cultural ambivalence about chastity, childbearing, and working. White American teens—the vast majority of American teens—are in some ways like Swedish teens. They are very likely to combine work and motherhood, and, on average, will delay childbearing well into their twenties. Unlike Swedish teens, however, most American teens must contend with their parents' and society's continued disapproval of premarital sex. The ironic result is that American teens are more likely than Swedish teens to get pregnant and abort for the same reason that they are less likely to have sex—ambivalent attitudes toward sex and contraception.

Black American teens also are like Swedish teens in some ways. Both groups come from milieux that tolerate early sexual activity and out-of-wedlock childrearing. Both groups are en-

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sured access to sex education and contraception through government programs. But, unlike black teens, Swedish teens use the contraception they have so as to delay childbearing for as long as a decade after they begin having sex.

Black or white, it seems that American teens are both too liberated—they have sex, and not liberated enough—they don't use contraceptives. Those who make policy must decide whether the conservative approach—abstinence—or the liberal approach—providing contraceptives—is more desirable in the local context. Programs of birth control will probably be highly effective for those teens, white and black, who want to delay reproduction and who come from families and neighborhoods where teen sex is largely accepted. Teaching abstinence may work where ambivalence about sex is still strong.

But the decision to use contraceptives consistently and the decision to abstain both depend on a prior conviction that it is worthwhile to delay childbearing. It is just this conviction that can no longer be assumed.

Teenage girls can be helped to become efficient users of contraceptives. This is easiest to do, however, when they expect to work throughout their lives and when work seems to them worthwhile. Only then do they put a high value on completing their education and delaying childbearing. Only then do they conceive of motherhood as the culmination of, rather than a substitute for, independent adulthood.

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The limits of monetary policy

LAWRENCE B. LINDSEY

TWENTY-ONE YEARS AGO this fall I sat in my first economics class and listened to the conventional wisdom of the time, as set forth by the eighth edition of Paul Samuelson's classic introductory text *Economics*. Today that book retains a valued place on the shelf of my office, in part a reminder of what is enduring in economic thought, but also a testament to the ability of the economic mainstream, if not individual economists, to change long-cherished beliefs.

In retrospect, my introduction to economics came at the high point of an entire paradigm of economic thought, one which promised an increasingly activist role for government policy. John F. Kennedy's "New Economics," of which Samuelson and his text were a part, had proved a tremendous success. Richard Nixon had just established a bipartisan recognition of this, declaring that "We are all Keynesians now," and was using Samuelson's lessons to engineer an economy highly favorable to his reelection.

For the economics profession, the 1960s and early 1970s was an era of can-do problem solving, with virtually unlimited pros-

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pects. Economics, the "Queen of the Social Sciences," drawing from history and the social sciences as well as mathematics and statistics, was about to add an immensely powerful tool to its arsenal: the computer. Samuelson urged his students to become like medical doctors, "to cultivate an objective and detached ability to see things as they are." Ultimately, wrote Samuelson, "understanding should aid in control and improvement." No more enticing set of words could have been chosen. Like so many of my compatriots, I was an idealist seeking to change the world. I was hooked by the end of chapter one.

Sadly, the experiences of the last two decades suggest that Samuelson's words had more to do with the hubris of the G.I. generation than with the real world his young readers would face as decisionmakers. Today, "seeing things as they are" means recognizing the limits of the economic policy tools at our disposal, not relishing their potential for control and improvement.

Today, monetary policy is being asked to carry an increasing responsibility for assuring our nation's economic performance. In many ways, the themes of the New Economics of the 1960s and early 1970s are popular again today—activism is in vogue. My mission in these pages is to flash a yellow light of caution about a return to monetary policy of the kind envisioned twenty years ago, while highlighting those aspects of successful economic policy for which a properly conducted monetary policy is indispensable. I will begin with three lessons of the past twenty years, which have dramatically changed the mainstream view of inflation and monetary policy.

Lessons of the last two decades

Lesson 1: Excess money, not excess demand, causes sustained inflation. Twenty years ago, the economic mainstream focused on demand as the key determinant of the economy. Demand could take a number of forms: consumption demand by households, investment demand by firms, and government spending. Inflation occurred in this stylized world if the sum of these types of demand—consumption, investment, and government—exceeded the capacity of the economy to produce. Money played only an indirect role in boosting demand. Indeed, my edition of the Samuelson text introduces the concept of inflation before introducing the concept of money!

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What proved this view wrong was the emergence in the 1970s of "stagflation"—inflation during periods of high unemployment and economic stagnation. Excess demand could not have caused the inflation, since it was occurring during a period of *weak* demand. During such periods, prices were supposed to fall, not rise. Because they didn't, the role of money began to take on renewed importance in economic analysis.

A retrospective look at the 1970s and 1980s suggests that it is changes in monetary policy which lead to price level changes. The effect of money creation on economic activity does seem to be subject to long, variable, and uncertain lags. But in the long run, it is excess money creation, not excess demand, that is both the necessary and the sufficient condition for inflation.

Lesson 2: The trade-off from excessive money creation is temporarily lower unemployment in return for permanently higher inflation. The postwar period was dominated by the belief that there was a lasting trade-off between inflation and unemployment, a concept pioneered by British economist A.W. Phillips. The Phillips curve, as it came to be known, was an empirical relationship based on the actual performance of the economy. The data on which it was based, however, came from a period that has since proved to be atypical. There were, for example, none of the "supply shocks," such as the oil crises of the 1970s, which are particularly tricky for policymakers. In addition, the flow of international capital was impeded by both formal restrictions and the absence of highly developed international capital markets. As a result, governments pursuing inappropriate policies experienced much less serious consequences than would result from similar policies today. In short, it was an era in which inflationary policies were treated relatively benignly by markets.

The Phillips curve became a focus of practical political economy. The wise politician would run an anti-inflationary policy early in his term. This would permit an expansionist policy in advance of election time, which would reduce unemployment while keeping inflation within acceptable bounds. The politician would then use the early period after his reelection to reduce inflation again. Talk of a "political business cycle" emerged. Nixon carried all this a step further, combining an expansionist policy

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with wage and price controls in the runup to the 1972 election, thereby (it was hoped) buying the best possible mix of high employment and low inflation.

In retrospect, 1972 may have been the breaking point for the Phillips curve. Until that time, something approaching price stability returned during the anti-inflation periods of the cycle. Thus economic commentators might be forgiven for thinking that there was in fact a tradeoff between inflation and unemployment. But a strong bias toward monetary expansion meant that over time a given level of unemployment became associated with a higher level of inflation. While unemployment ran at 5.9 percent in both 1971 and 1979, inflation was 3.3 percent in 1971 and 13.3 percent in 1979. This ended talk of a fixed Phillips curve relation.

Some economists, like Nobel laureate Milton Friedman and former Federal Reserve Governor Henry Wallich, had long maintained that the inflation/unemployment trade-off implied by the Phillips curve was temporary at best. In the long run, they argued, there is no trade-off: unemployment will return to a "natural rate" given by the degree of efficiency in labor markets. In the short run, reductions in unemployment below the natural rate can be obtained only by fooling market participants with unexpectedly inflationary policies. If inflation is greater than expected, real wages can be temporarily depressed and extra employment produced. But in the long run, workers and other market participants will wise up and demand a restoration of real wage levels.

Today, mainstream economists reject the notion of a long-run trade-off between inflation and unemployment. The absence of such a trade-off means that experimentation with expansionist policies is, at best, a sacrifice of the nation's future well-being for some short-term gain. Indeed, the emergence of a literature on the "political business cycle" suggests that this was really always the case.

It may be that the demise of the Phillips curve was actually caused by the increasing sophistication of markets, and a dramatic increase in skepticism, if not outright cynicism, about the conduct of economic policy. Such skepticism would naturally make discretionary government policies less likely to work. Markets would judge such policies self-defeating and so allow little

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scope for additional hiring, knowing that newly hired workers would ultimately be laid off. The combination of price controls in the early 1970s and the various unsuccessful policies of the latter half of the decade led to a tremendous erosion of public faith in the conduct of economic policy. That public faith would take a decade or more to rebuild.

Lesson 3: Inflation is far more costly than once believed. The old belief in a trade-off between inflation and unemployment was augmented by the understanding that, of the two evils, unemployment was by far the more costly. While unemployment entails lost output for society and pain and suffering for the individuals involved, inflation was viewed as virtually benign. Again, the Samuelson text serves as a reminder of what used to be the conventional wisdom. "An increase in prices is usually associated with high employment. In mild inflation the wheels of industry are well lubricated and output is near capacity. Private investment is brisk, jobs plentiful. Such has been the historical pattern."

As noted, the historical pattern snapped in 1972. The great recession of 1973-1975 was accompanied by unprecedented inflation, while the stagflation of 1979-1980 occurred during the only back-to-back years of double-digit inflation in this country's history. In addition, evidence mounted during the 1970s and 1980s that those countries which took inflation-control seriously, notably Germany, did not suffer any slowdown of growth.

In the United States, it became increasingly evident that inflation discourages saving and investment, two of the key prerequisites for faster growth. The effect is largely the result of inappropriate tax rules, which tax both the real return and the inflation return, even though the saver is made no better off by the latter.

Consider an example. The government has a tax rate of 30 percent, and the economy provides a real return to savers of 4 percent. In a world of 4 percent inflation, the saver gets a total nominal return of 8 percent. Of this, the IRS collects 2.4, or 30 percent of the 8, leaving the saver with 5.6 percent after tax. Inflation represents 4 of this 5.6, leaving a real after-tax return of only 1.6 percent. By contrast, leave this model unchanged except for the inflation rate, which drops to zero. The saver now

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gets a nominal return equal to the 4 percent real return. The IRS takes 1.2 points of this, leaving the saver with a 2.8 percent real after-tax return. In other words, removing inflation from the picture nearly doubles the real return to savers from 1.6 percent to 2.8 percent.

The same is true for business investments. The Federal Reserve has estimated that taking four points off the inflation rate is roughly equivalent to a 3.5 percent investment tax credit, lowering the cost of all investments by 3.5 percent. Contrast this with the talk in Washington earlier this year of a temporary and limited investment tax credit to some firms, on only some of their investments. That idea was dropped because of its cost.

Most analysts believe that greater saving and investment are crucial to increasing America's economic growth, and that both would be spurred by lower inflation. There is also a consensus that America's businesses and households need to be able to make long-term plans. Even a moderate inflation rate of 4 percent means that prices double in eighteen years, quadruple in thirty-six, and go up by a factor of fifty in a century. The staggering cost changes these figures imply for plants that may last fifty years, or for a retirement thirty years in the future, make long-term planning difficult. There is also ample evidence that high rates of inflation are associated with high variability in the rate of inflation. Such variability further increases the uncertainty involved, making long-term planning even more difficult.

Many of the worst difficulties stem from taxes and lending limits interacting with inflation, and not just inflation itself. But society is not likely to change all of its laws and policies to accommodate the vagaries of inflation. For two decades economists of all political persuations have urged Congress to index the taxation of saving and investment, and yet lawmakers have chosen not to do so.

Learning our limitations

Today, the mainstream view holds that inflation is a monetary phenomenon, costly in terms of both economic growth and opportunity. The benefits it was supposed to create are at best temporary. If we accept these premises, then monetary policy has a single clear objective: to maintain inflation at a level low enough that it does not affect economic decisionmaking.

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Having this overarching objective does not in any way limit decisions to set interest rates temporarily higher or lower. The goal of price stability does not preclude alternating monetary accommodation and restrictiveness over the course of the business cycle. But it does require that monetary authorities work to convince the public that inflation will be controlled.

Doing so does not put monetary policy in a straitjacket, but does require resisting the temptation to use monetary policy to solve our economic problems. Such activism is always attractive to politicians. The popular press rewards those who seem to be doing something to solve our problems; there are also those who, out of ideological conviction, cling to the wisdom of two decades ago. It is important to keep in mind, however, that avoiding activist monetary policy is not a recipe for stand-patism. It is, in fact, an essential prerequisite for long-term economic growth.

Limits on solving microeconomic problems

In the past few years, the United States and much of the Western world have been going through a series of painful transitions related to changing economic circumstances.

The collapse of the Soviet empire freed 420 million consumers and workers who now need capital to rebuild their economies. What we used to call West Germany was one of the world's greatest capital exporters. All of its capital is now going to the east, and united Germany is a net capital importer. The result has been a rise in real interest rates around the world, and a consequent economic slowdown. In the United States, the collapse of the Soviet Union is allowing us to move about 3 percent of GNP out of defense and into other sectors. We are doing so briskly, and thereby rapidly changing the value of the skills of millions of individuals and the economic situation of hundreds of communities.

At the same time, the computer revolution has dramatically changed the nature of the American workplace and led to a rapid restructuring of managerial practices, with workers laid off in the process. In addition, the administration is considering a universal health care plan that could affect employment in hospitals and insurance companies.

Market economies remain the best mechanism ever devel-

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oped for adapting to changing economic circumstances such as these. In any given week, for example, more than 400,000 new jobs are created in the U.S., while a smaller number disappear. But even market economies have limits to their ability to absorb economic change. If too many workers in too many sectors are asked to change their jobs, and if whole sets of skills suddenly become redundant, the labor market will be overwhelmed and unemployment will rise. While the U.S. has recently seen a cyclical rise in joblessness, these structural changes have also increased unemployment.

Some, recalling the Phillips curve, might argue that now is the time for a more expansionist monetary policy, which would offset the rise in structural unemployment. To a limited extent, monetary policy does have a role. An overly restrictive monetary policy that reduces the pace of job creation below the natural level will needlessly extend the period it takes for the structurally unemployed to find new jobs. But an overly easy monetary policy is not the answer either. Such a policy would do little to accelerate the absorption of the structurally unemployed.

Monetary policy is inherently a blunt instrument. It is impossible, for example, to mitigate the effects of the current defense downsizing by running a more generous monetary policy for the defense industry than for the country as a whole. Regional effects are also impossible to mitigate. We cannot have one discount rate for California and another for the rest of the country. The monetary policy that might be optimal for a distressed industry or region will likely be too expansionary, and therefore inflationary, for the country as a whole.

The rapid pace of structural change in our economy is certainly producing higher unemployment. But to respond with an overly expansionary monetary policy would be ineffective in the short run, and inflationary and counterproductive in the long run. The best hope we have of accommodating the inevitable structural adjustments in our economy is to maintain a high rate of economic growth. That will require more saving, more investment, and fewer economic distortions. As argued above, these goals are best achieved by resisting the temptation to fine-tune the economy and by focusing instead on the goal of long-term price stability.

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Limits on macroeconomic activism

The economic logic of two decades ago is particularly evident in the calls today for government to transform the composition of GNP so that it is centered more on investment and less on consumption. It is argued that by raising taxes, and thereby reducing disposable income, we will lower consumption. If monetary policy can be used simultaneously to stimulate investment through lower interest rates, then the country will enjoy a change in the *mix* of GNP (more investment, less consumption) without suffering any decline in its *level*. In the context of the economics I learned as a college freshman, the logic is compelling.

Unfortunately, the world is not so simple and its economic actors not so naive. One could even argue that the announcement of a mix of higher taxes and faster money creation might lead to a pernicious result. Consider first a tax hike, intended to reduce consumption. What if the bulk of the taxes were paid for by reduced savings, or were not paid at all due to the disincentive effects of higher tax rates? To the extent that either of these occurred, funds available for investment would be reduced. If it were simultaneously announced that monetary policy would be used to lower nominal interest rates (thus further depressing the real after-tax return to saving), logic indicates that an even greater share of the taxes paid would come out of saving.

It should be emphasized that monetary policy can affect interest rates only over the short term, not the long term. Yet most investments are financed long-term. An announced policy of lower short-term rates might signal the bond market that faster money creation, and therefore higher inflation, were on the way. The result would be an increase in long-term bond rates to adjust for greater inflationary expectations. The real component of these rates, meanwhile, might already have increased due to the reduced saving that would result from higher taxes. In short, a tax increase together with higher money creation runs the risk of producing lower investment than would result from tax increases by themselves.

Economic science is simply not well enough developed to predict with any certainty what the ultimate outcome of a complex mix of policy changes will be. This does not mean that there should be no coordination between monetary and fiscal

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policy. But it does mean that the hubris which dominated the economics profession two decades ago should not be carried forward into today's world of sophisticated markets and economic agents.

Limits on international policy

A final area where calls for monetary activism can be heard is in international economics—particularly the area of exchange rates. Some, for example, advocate a more expansionary monetary policy as a means of lowering the exchange value of the dollar. This is supposed to make our goods more competitive overseas and foreign goods less attractive here, thus lowering our trade deficit.

The lessons of the past two decades, however, have taught us that nominal currency depreciations do not improve our balance of trade. Only changes in real exchange rates matter. A moment of reflection indicates why this is the case. A sudden 10 percent rise in prices would produce a 10 percent decline in the exchange value of the currency. Ultimately, the 10 percent depreciation of the currency would exactly offset the 10 percent rise in the domestic cost of production, leaving the cost of our goods abroad unchanged. Similarly, the relative price of foreign goods would remain unchanged. Domestic prices would rise 10 percent due to domestic inflation, while the prices of foreign goods would also rise 10 percent due to the change in the exchange rate.

The limits of monetary policy activism are particularly severe if one values the U.S. dollar's role as the world's premier currency. It has been estimated that nearly 60 percent of our currency is overseas and perhaps as much as 50 percent of the world's trade is transacted in dollars. A failure to control inflation threatens the dollar's position.

Consider what would happen, for example, if a non-inflationary European Currency Unit (ECU) were to become widely used in Europe by the end of the decade. The ECU would be used by 70 million more people, involve 20 percent more GNP, and denominate a significantly greater share of cross-border trade than would the dollar. If, in addition, the world's markets felt that the institutional arrangements for controlling the printing of ECUs made it a non-inflationary currency, but did not feel the same of the dollar, how long would the dollar hold its position as

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the world's premier currency?

The U.S. economy would stand to lose a lot more than the mere seignorage on the money circulating overseas. (Seignorage is the money the government saves by paying for its spending with the issuance of currency rather than the issuance of bonds. Bonds must pay interest; currency does not.) How long would New York remain the world's financial capital if the dollar was not the world's premier currency? How would American multinationals fare? Would they remain "American" multinationals, or would they cross over to the nation-state that was calling the world's financial and monetary tune? These questions are hard to answer. But it is clear that the risks in this area are enormous. We must retain an anti-inflationary policy for the dollar that is at least as credible as that in place for any other currency of world-wide import. Failure to do so risks our long-term leadership of the world's economy.

A better world

Both the world and our understanding of it have changed dramatically since I first learned economics some two decades ago. Today, policy experimentation and activism appear far less attractive than they did when I decided to make a career of the dismal science. Today, financial markets are much less forgiving and the price of mistakes incalculably higher.

In a sense, the role of "policymaker" has become more constrained and seemingly less interesting. This has, however, done wonders to concentrate the mind. The mistakes of an inappropriate monetary policy are arguably ones that should never be made, even in a more forgiving world. Ultimately, such errors involve some form of devaluation of the currency, much like when the kings of yore used to shave a small fraction of metal from the edge of each coin.

The difficulty of maintaining a currency's value was recognized in the past. My freshman copy of Samuelson's text has in bold print (further highlighted by me): "Limitation in the supply of money is the necessary condition if it is to have value ... That is why constitutional powers over money and banking are never given to private groups but are always vested in government."

Interestingly, it has been experimentation by governments with the values of their currencies that has threatened to undermine

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this monopoly. Some countries, in response to such experimentation, have enacted requirements that their central banks pursue price stability. Others countries, notably in Europe, have sought to link their currencies to a non-inflationary anchor. At the very least, governments are constrained by the fact that their citizens have access to the currencies of other governments.

Perhaps the lesson to policymakers is that while their options have become more constrained, they are constrained to be virtuous, to be good stewards of their currencies. That may require renouncing the excitement of policy experimentation, but it at least holds the promise that a better world might result. With luck, that promise will be enough to satisfy the energy and idealism of a generation that learned its economics in an era of activism, but has come to practice in an era of limits.

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A nation of cowards

JEFFREY R. SNYDER

OUR SOCIETY has reached a pinnacle of self-expression and respect for individuality rare or unmatched in history. Our entire popular culture—from fashion magazines to the cinema—positively screams the matchless worth of the individual, and glories in eccentricity, nonconformity, independent judgment, and self-determination. This enthusiasm is reflected in the prevalent notion that helping someone entails increasing that person's "self-esteem"; that if a person properly values himself, he will naturally be a happy, productive, and, in some inexplicable fashion, responsible member of society.

And yet, while people are encouraged to revel in their individuality and incalculable self-worth, the media and the law enforcement establishment continually advise us that, when confronted with the threat of lethal violence, we should not resist, but simply give the attacker what he wants. If the crime under consideration is rape, there is some notable waffling on this point, and the discussion quickly moves to how the woman can change her behavior to minimize the risk of rape, and the vari-

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ous ridiculous, non-lethal weapons she may acceptably carry, such as whistles, keys, mace or, that weapon which really sends shivers down a rapist's spine, the portable cellular phone.

Now how can this be? How can a person who values himself so highly calmly accept the indignity of a criminal assault? How can one who believes that the essence of his dignity lies in his self-determination passively accept the forcible deprivation of that self-determination? How can he, quietly, with great dignity and poise, simply hand over the goods?

The assumption, of course, is that there is no inconsistency. The advice not to resist a criminal assault and simply hand over the goods is founded on the notion that one's life is of incalculable value, and that no amount of property is worth it. Put aside, for a moment, the outrageousness of the suggestion that a criminal who proffers lethal violence should be treated as if he has instituted a new social contract: "I will not hurt or kill you if you give me what I want." For years, feminists have labored to educate people that rape is not about sex, but about domination, degradation, and control. Evidently, someone needs to inform the law enforcement establishment and the media that kidnapping, robbery, carjacking, and assault are not about property.

Crime is not only a complete disavowal of the social contract, but also a commandeering of the victim's person and liberty. If the individual's dignity lies in the fact that he is a moral agent engaging in actions of his own will, in free exchange with others, then crime always violates the victim's dignity. It is, in fact, an act of enslavement. Your wallet, your purse, or your car may not be worth your life, but your dignity is; and if it is not worth fighting for, it can hardly be said to exist.

The gift of life

Although difficult for modern man to fathom, it was once widely believed that life was a gift from God, that to not defend that life when offered violence was to hold God's gift in contempt, to be a coward and to breach one's duty to one's community. A sermon given in Philadelphia in 1747 unequivocally equated the failure to defend oneself with suicide:

> He that suffers his life to be taken from him by one that hath no authority for that purpose, when he might preserve it by defense, incurs the Guilt of self murder since God hath enjoined him to seek

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the continuance of his life, and Nature itself teaches every creature to defend itself.

"Cowardice" and "self-respect" have largely disappeared from public discourse. In their place we are offered "self-esteem" as the bellwether of success and a proxy for dignity. "Self-respect" implies that one recognizes standards, and judges oneself worthy by the degree to which one lives up to them. "Self-esteem" simply means that one feels good about oneself. "Dignity" used to refer to the self-mastery and fortitude with which a person conducted himself in the face of life's vicissitudes and the boorish behavior of others. Now, judging by campus speech codes, dignity requires that we never encounter a discouraging word and that others be coerced into acting respectfully, evidently on the assumption that we are powerless to prevent our degradation if exposed to the demeaning behavior of others. These are signposts proclaiming the insubstantiality of our character, the hollowness of our souls.

It is impossible to address the problem of rampant crime without talking about the moral responsibility of the intended victim. Crime is rampant because the law-abiding, each of us, condone it, excuse it, permit it, submit to it. We permit and encourage it because we do not fight back, immediately, then and there, where it happens. Crime is not rampant because we do not have enough prisons, because judges and prosecutors are too soft, because the police are hamstrung with absurd technicalities. The defect is there, in our character. We are a nation of cowards and shirkers.

Do you feel lucky?

In 1991, when then-Attorney General Richard Thornburgh released the FBI's annual crime statistics, he noted that it is now more likely that a person will be the victim of a violent crime than that he will be in an auto accident. Despite this, most people readily believe that the existence of the police relieves them of the responsibility to take full measures to protect themselves. The police, however, are not personal bodyguards. Rather, they act as a general deterrent to crime, both by their presence and by apprehending criminals after the fact. As numerous courts have held, they have no legal obligation to protect

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anyone in particular. You cannot sue them for failing to prevent you from being the victim of a crime.

Insofar as the police deter by their presence, they are very, very good. Criminals take great pains not to commit a crime in front of them. Unfortunately, the corollary is that you can pretty much bet your life (and you are) that they won't be there at the moment you actually need them.

Should you ever be the victim of an assault, a robbery, or a rape, you will find it very difficult to call the police while the act is in progress, even if you are carrying a portable cellular phone. Nevertheless, you might be interested to know how long it takes them to show up. Department of Justice statistics for 1991 show that, for all crimes of violence, only 28 percent of calls are responded to within five minutes. The idea that protection is a service people can call to have delivered and expect to receive in a timely fashion is often mocked by gun owners, who love to recite the challenge, "Call for a cop, call for an ambulance, and call for a pizza. See who shows up first."

Many people deal with the problem of crime by convincing themselves that they live, work, and travel only in special "crime-free" zones. Invariably, they react with shock and hurt surprise when they discover that criminals do not play by the rules and do not respect these imaginary boundaries. If, however, you understand that crime can occur anywhere at anytime, and if you understand that you can be maimed or mortally wounded in mere seconds, you may wish to consider whether you are willing to place the responsibility for safeguarding your life in the hands of others.

Power and responsibility

Is your life worth protecting? If so, whose responsibility is it to protect it? If you believe that it is the police's, not only are you wrong—since the courts universally rule that they have no legal obligation to do so—but you face some difficult moral quandaries. How can you rightfully ask another human being to risk his life to protect yours, when you will assume no responsibility yourself? Because that is his job and we pay him to do it? Because your life is of incalculable value, but his is only worth the $30,000 salary we pay him? If you believe it reprehensible to possess the means and

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will to use lethal force to repel a criminal assault, how can you call upon another to do so for you?

Do you believe that you are forbidden to protect yourself because the police are better qualified to protect you, because they know what they are doing but you're a rank amateur? Put aside that this is equivalent to believing that only concert pianists may play the piano and only professional athletes may play sports. What exactly are these special qualities possessed only by the police and beyond the rest of us mere mortals?

One who values his life and takes seriously his responsibilities to his family and community will possess and cultivate the means of fighting back, and will retaliate when threatened with death or grievous injury to himself or a loved one. He will never be content to rely solely on others for his safety, or to think he has done all that is possible by being aware of his surroundings and taking measures of avoidance. Let's not mince words: He will be armed, will be trained in the use of his weapon, and will defend himself when faced with lethal violence.

Fortunately, there is a weapon for preserving life and liberty that can be wielded effectively by almost anyone—the handgun. Small and light enough to be carried habitually, lethal, but unlike the knife or sword, not demanding great skill or strength, it truly is the "great equalizer." Requiring only hand-eye coordination and a modicum of ability to remain cool under pressure, it can be used effectively by the old and the weak against the young and the strong, by the one against the many.

The handgun is the only weapon that would give a lone female jogger a chance of prevailing against a gang of thugs intent on rape, a teacher a chance of protecting children at recess from a madman intent on massacring them, a family of tourists waiting at a mid-town subway station the means to protect themselves from a gang of teens armed with razors and knives.

But since we live in a society that by and large outlaws the carrying of arms, we are brought into the fray of the Great American Gun War. Gun control is one of the most prominent battlegrounds in our current culture wars. Yet it is unique in the half-heartedness with which our conservative leaders and pundits—our "conservative elite"—do battle, and have conceded the moral high ground to liberal gun control proponents. It is not a topic often written about, or written about with any great fervor,

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by William F. Buckley or Patrick Buchanan. As drug czar, William Bennett advised President Bush to ban "assault weapons." George Will is on record as recommending the repeal of the Second Amendment, and Jack Kemp is on record as favoring a ban on the possession of semiautomatic "assault weapons." The battle for gun rights is one fought predominantly by the common man. The beliefs of both our liberal and conservative elites are in fact abetting the criminal rampage through our society.

Selling crime prevention

By any rational measure, nearly all gun control proposals are hokum. The Brady Bill, for example, would not have prevented John Hinckley from obtaining a gun to shoot President Reagan; Hinckley purchased his weapon five months before the attack, and his medical records could not have served as a basis to deny his purchase of a gun, since medical records are not public documents filed with the police. Similarly, California's waiting period and background check did not stop Patrick Purdy from purchasing the "assault rifle" and handguns he used to massacre children during recess in a Stockton schoolyard; the felony conviction that would have provided the basis for stopping the sales did not exist, because Mr. Purdy's previous weapons violations were plea-bargained down from felonies to misdemeanors.

In the mid-sixties there was a public service advertising campaign targeted at car owners about the prevention of car theft. The purpose of the ad was to urge car owners not to leave their keys in their cars. The message was, "Don't help a good boy go bad." The implication was that, by leaving his keys in his car, the normal, law-abiding car owner was contributing to the delinquency of minors who, if they just weren't tempted beyond their limits, would be "good." Now, in those days people still had a fair sense of just who was responsible for whose behavior. The ad succeeded in enraging a goodly portion of the populace, and was soon dropped.

Nearly all of the gun control measures offered by Handgun Control, Inc. (HCI) and its ilk embody the same philosophy. They are founded on the belief that America's law-abiding gun owners are the source of the problem. With their unholy desire for firearms, they are creating a society awash in a sea of guns, thereby helping good boys go bad, and helping bad boys be

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badder. This laying of moral blame for violent crime at the feet of the law-abiding, and the implicit absolution of violent criminals for their misdeeds, naturally infuriates honest gun owners.

The files of HCI and other gun control organizations are filled with proposals to limit the availability of semiautomatic and other firearms to law-abiding citizens, and barren of proposals for apprehending and punishing violent criminals. It is ludicrous to expect that the proposals of HCI, or any gun control laws, will significantly curb crime. According to Department of Justice and Bureau of Alcohol, Tobacco and Firearms (ATF) statistics, fully 90 percent of violent crimes are committed without a handgun, and 93 percent of the guns obtained by violent criminals are not obtained through the lawful purchase and sale transactions that are the object of most gun control legislation. Furthermore, the number of violent criminals is minute in comparison to the number of firearms in America—estimated by the ATF at about 200 million, approximately one-third of which are handguns. With so abundant a supply, there will always be enough guns available for those who wish to use them for nefarious ends, no matter how complete the legal prohibitions against them, or how draconian the punishment for their acquisition or use. No, the gun control proposals of HCI and other organizations are not seriously intended as crime control. Something else is at work here.

The tyranny of the elite

Gun control is a moral crusade against a benighted, barbaric citizenry. This is demonstrated not only by the ineffectualness of gun control in preventing crime, and by the fact that it focuses on restricting the behavior of the law-abiding rather than apprehending and punishing the guilty, but also by the execration that gun control proponents heap on gun owners and their evil instrumentality, the NRA. Gun owners are routinely portrayed as uneducated, paranoid rednecks fascinated by and prone to violence, i.e., exactly the type of person who opposes the liberal agenda and whose moral and social "re-education" is the object of liberal social policies. Typical of such bigotry is New York Gov. Mario Cuomo's famous characterization of gun-owners as "hunters who drink beer, don't vote, and lie to their wives about where they were all weekend." Similar vituperation is rained

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upon the NRA, characterized by Sen. Edward Kennedy as the "pusher's best friend," lampooned in political cartoons as standing for the right of children to carry firearms to school and, in general, portrayed as standing for an individual's God-given right to blow people away at will.

The stereotype is, of course, false. As criminologist and constitutional lawyer Don B. Kates, Jr. and former HCI contributor Dr. Patricia Harris have pointed out, "[s]tudies consistently show that, on the average, gun owners are better educated and have more prestigious jobs than non-owners.... Later studies show that gun owners are *less* likely than non-owners to approve of police brutality, violence against dissenters, etc."

Conservatives must understand that the antipathy many liberals have for gun owners arises in good measure from their statist utopianism. This habit of mind has nowhere been better explored than in *The Republic*. There, Plato argues that the perfectly just society is one in which an unarmed people exhibit virtue by minding their own business in the performance of their assigned functions, while the government of philosopher-kings, above the law and protected by armed guardians unquestioning in their loyalty to the state, engineers, implements, and fine-tunes the creation of that society, aided and abetted by myths that both hide and justify their totalitarian manipulation.

The unarmed life

When columnist Carl Rowan preaches gun control and uses a gun to defend his home, when Maryland Gov. William Donald Schaefer seeks legislation year after year to ban semiautomatic "assault weapons" whose only purpose, we are told, is to kill people, while he is at the same time escorted by state police armed with large-capacity 9mm semiautomatic pistols, it is not simple hypocrisy. It is the workings of that habit of mind possessed by all superior beings who have taken upon themselves the terrible burden of civilizing the masses and who understand, like our Congress, that laws are for other people.

The liberal elite know that they are philosopher-kings. They know that the people simply cannot be trusted; that they are incapable of just and fair self-government; that left to their own devices, their society will be racist, sexist, homophobic, and inequitable—and the liberal elite know how to fix things. They are

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going to help us live the good and just life, even if they have to lie to us and force us to do it. And they detest those who stand in their way.

The private ownership of firearms is a rebuke to this utopian zeal. To own firearms is to affirm that freedom and liberty are not gifts from the state. It is to reserve final judgment about whether the state is encroaching on freedom and liberty, to stand ready to defend that freedom with more than mere words, and to stand outside the state's totalitarian reach.

The Florida experience

The elitist distrust of the people underlying the gun control movement is illustrated beautifully in HCI's campaign against a new concealed-carry law in Florida. Prior to 1987, the Florida law permitting the issuance of concealed-carry permits was administered at the county level. The law was vague, and, as a result, was subject to conflicting interpretation and political manipulation. Permits were issued principally to security personnel and the privileged few with political connections. Permits were valid only within the county of issuance.

In 1987, however, Florida enacted a uniform concealed-carry law which mandates that county authorities issue a permit to anyone who satisfies certain objective criteria. The law requires that a permit be issued to any applicant who is a resident, at least twenty-one years of age, has no criminal record, no record of alcohol or drug abuse, no history of mental illness, and provides evidence of having satisfactorily completed a firearms safety course offered by the NRA or other competent instructor. The applicant must provide a set of fingerprints, after which the authorities make a background check. The permit must be issued or denied within ninety days, is valid throughout the state, and must be renewed every three years, which provides authorities a regular means of reevaluating whether the permit holder still qualifies.

Passage of this legislation was vehemently opposed by HCI and the media. The law, they said, would lead to citizens shooting each other over everyday disputes involving fender benders, impolite behavior, and other slights to their dignity. Terms like "Florida, the Gunshine State" and "Dodge City East" were coined to suggest that the state, and those seeking passage of the law,

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were encouraging individuals to act as judge, jury, and executioner in a "Death Wish" society.

No HCI campaign more clearly demonstrates the elitist beliefs underlying the campaign to eradicate gun ownership. Given the qualifications required of permit holders, HCI and the media can only believe that common, law-abiding citizens are seething cauldrons of homicidal rage, ready to kill to avenge any slight to their dignity, eager to seek out and summarily execute the lawless. Only lack of immediate access to a gun restrains them and prevents the blood from flowing in the streets. They are so mentally and morally deficient that they would mistake a permit to carry a weapon in self-defense as a state-sanctioned license to kill at will.

Did the dire predictions come true? Despite the fact that Miami and Dade County have severe problems with the drug trade, the homicide rate fell in Florida following enactment of this law, as it did in Oregon following enactment of similar legislation there. There are, in addition, several documented cases of new permit holders successfully using their weapons to defend themselves. Information from the Florida Department of State shows that, from the beginning of the program in 1987 through June 1993, 160,823 permits have been issued, and only 530, or about 0.33 percent of the applicants, have been denied a permit for failure to satisfy the criteria, indicating that the law is benefitting those whom it was intended to benefit—the law-abiding. Only 16 permits, *less than 1/100th of 1 percent*, have been revoked due to the post-issuance commission of a crime involving a firearm.

The Florida legislation has been used as a model for legislation adopted by Oregon, Idaho, Montana, and Mississippi. There are, in addition, seven other states (Maine, North and South Dakota, Utah, Washington, West Virginia, and, with the exception of cities with a population in excess of 1 million, Pennsylvania) which provide that concealed-carry permits must be issued to law-abiding citizens who satisfy various objective criteria. Finally, no permit is required at all in Vermont. Altogether, then, there are thirteen states in which law-abiding citizens who wish to carry arms to defend themselves may do so. While no one appears to have compiled the statistics from all of these jurisdictions, there is certainly an ample data base for those seeking the

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truth about the trustworthiness of law-abiding citizens who carry firearms.

Other evidence also suggests that armed citizens are very responsible in using guns to defend themselves. Florida State University criminologist Gary Kleck, using surveys and other data, has determined that armed citizens defend their lives or property with firearms against criminals approximately 1 million times a year. In 98 percent of these instances, the citizen merely brandishes the weapon or fires a warning shot. Only in 2 percent of the cases do citizens actually shoot their assailants. In defending themselves with their firearms, armed citizens kill 2,000 to 3,000 criminals each year, three times the number killed by the police. A nationwide study by Kates, the constitutional lawyer and criminologist, found that only 2 percent of civilian shootings involved an innocent person mistakenly identified as a criminal. The "error rate" for the police, however, was 11 percent, over five times as high.

It is simply not possible to square the numbers above and the experience of Florida with the notions that honest, law-abiding gun owners are borderline psychopaths itching for an excuse to shoot someone, vigilantes eager to seek out and summarily execute the lawless, or incompetent fools incapable of determining when it is proper to use lethal force in defense of their lives. Nor upon reflection should these results seem surprising. Rape, robbery, and attempted murder are not typically actions rife with ambiguity or subtlety, requiring special powers of observation and great book-learning to discern. When a man pulls a knife on a woman and says, "You're coming with me," her judgment that a crime is being committed is not likely to be in error. There is little chance that she is going to shoot the wrong person. It is the police, because they are rarely at the scene of the crime when it occurs, who are more likely to find themselves in circumstances where guilt and innocence are not so clear-cut, and in which the probability for mistakes is higher.

Arms and liberty

Classical republican philosophy has long recognized the critical relationship between personal liberty and the possession of arms by a people ready and willing to use them. Political theorists as dissimilar as Niccolo Machiavelli, Sir Thomas More, James

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Harrington, Algernon Sidney, John Locke, and Jean-Jacques Rousseau all shared the view that the possession of arms is vital for resisting tyranny, and that to be disarmed by one's government is tantamount to being enslaved by it. The possession of arms by the people is the ultimate warrant that government governs only with the consent of the governed. As Kates has shown, the Second Amendment is as much a product of this political philosophy as it is of the American experience in the Revolutionary War. Yet our conservative elite has abandoned this aspect of republican theory. Although our conservative pundits recognize and embrace gun owners as allies in other arenas, their battle for gun rights is desultory. The problem here is not a statist utopianism, although goodness knows that liberals are not alone in the confidence they have in the state's ability to solve society's problems. Rather, the problem seems to lie in certain cultural traits shared by our conservative and liberal elites.

One such trait is an abounding faith in the power of the word. The failure of our conservative elite to defend the Second Amendment stems in great measure from an overestimation of the power of the rights set forth in the First Amendment, and a general undervaluation of action. Implicit in calls for the repeal of the Second Amendment is the assumption that our First Amendment rights are sufficient to preserve our liberty. The belief is that liberty can be preserved as long as men freely speak their minds; that there is no tyranny or abuse that can survive being exposed in the press; and that the truth need only be disclosed for the culprits to be shamed. The people will act, and the truth shall set us, and keep us, free.

History is not kind to this belief, tending rather to support the view of Hobbes, Machiavelli, and other republican theorists that only people willing and able to defend themselves can preserve their liberties. While it may be tempting and comforting to believe that the existence of mass electronic communication has forever altered the balance of power between the state and its subjects, the belief has certainly not been tested by time, and what little history there is in the age of mass communication is not especially encouraging. The camera, radio, and press are mere tools and, like guns, can be used for good or ill. Hitler, after all, was a masterful orator, used radio to very good effect, and is well known to have pioneered and exploited the propa-

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ganda opportunities afforded by film. And then, of course, there were the Brownshirts, who knew very well how to quell dissent among intellectuals.

Polite society

In addition to being enamored of the power of words, our conservative elite shares with liberals the notion that an armed society is just not civilized or progressive, that massive gun ownership is a blot on our civilization. This association of personal disarmament with civilized behavior is one of the great unexamined beliefs of our time.

Should you read English literature from the sixteenth through nineteenth centuries, you will discover numerous references to the fact that a gentleman, especially when out at night or traveling, armed himself with a sword or a pistol against the chance of encountering a highwayman or other such predator. This does not appear to have shocked the ladies accompanying him. True, for the most part there were no police in those days, but we have already addressed the notion that the presence of the police absolves people of the responsibility to look after their safety, and in any event the existence of the police cannot be said to have reduced crime to negligible levels.

It is by no means obvious why it is "civilized" to permit oneself to fall easy prey to criminal violence, and to permit criminals to continue unobstructed in their evil ways. While it may be that a society in which crime is so rare that no one ever needs to carry a weapon is "civilized," a society that stigmatizes the carrying of weapons by the law-abiding—because it distrusts its citizens more than it fears rapists, robbers, and murderers—certainly cannot claim this distinction. Perhaps the notion that defending oneself with lethal force is not "civilized" arises from the view that violence is always wrong, or the view that each human being is of such intrinsic worth that it is wrong to kill anyone under any circumstances. The necessary implication of these propositions, however, is that life is not worth defending. Far from being "civilized," the beliefs that counterviolence and killing are always wrong are an invitation to the spread of barbarism. Such beliefs announce loudly and clearly that those who do not respect the lives and property of others will rule over those who do.

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In truth, one who believes it wrong to arm himself against criminal violence shows contempt of God's gift of life (or, in modern parlance, does not properly value himself), does not live up to his responsibilities to his family and community, and proclaims himself mentally and morally deficient, because he does not trust himself to behave responsibly. In truth, a state that deprives its law-abiding citizens of the means to effectively defend themselves is not civilized but barbarous, becoming an accomplice of murderers, rapists, and thugs and revealing its totalitarian nature by its tacit admission that the disorganized, random havoc created by criminals is far less a threat than are men and women who believe themselves free and independent, and act accordingly.

While gun control proponents and other advocates of a kinder, gentler society incessantly decry our "armed society," in truth we do not live in an armed society. We live in a society in which violent criminals and agents of the state habitually carry weapons, and in which many law-abiding citizens own firearms but do not go about armed. Department of Justice statistics indicate that 87 percent of all violent crimes occur *outside* the home. Essentially, although tens of millions own firearms, we are an unarmed society.

Take back the night

Clearly the police and the courts are not providing a significant brake on criminal activity. While liberals call for more poverty, education, and drug treatment programs, conservatives take a more direct tack. George Will advocates a massive increase in the number of police and a shift toward "community-based policing." Meanwhile, the NRA and many conservative leaders call for laws that would require violent criminals serve at least 85 percent of their sentences and would place repeat offenders permanently behind bars.

Our society suffers greatly from the beliefs that only official action is legitimate and that the state is the source of our earthly salvation. Both liberal and conservative prescriptions for violent crime suffer from the "not in my job description" school of thought regarding the responsibilities of the law-abiding citizen, and from an overestimation of the ability of the state to provide society's moral moorings. As long as law-abiding citizens assume

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no personal responsibility for combatting crime, liberal and conservative programs will fail to contain it.

Judging by the numerous articles about concealed-carry in gun magazines, the growing number of products advertised for such purpose, and the increase in the number of concealed-carry applications in states with mandatory-issuance laws, more and more people, including growing numbers of women, are carrying firearms for self-defense. Since there are still many states in which the issuance of permits is discretionary and in which law enforcement officials routinely deny applications, many people have been put to the hard choice between protecting their lives or respecting the law. Some of these people have learned the hard way, by being the victim of a crime, or by seeing a friend or loved one raped, robbed, or murdered, that violent crime can happen to anyone, anywhere at anytime, and that crime is not about sex or property but life, liberty, and dignity.

The laws proscribing concealed-carry of firearms by honest, law-abiding citizens breed nothing but disrespect for the law. As the Founding Fathers knew well, a government that does not trust its honest, law-abiding, taxpaying citizens with the means of self-defense is not itself worthy of trust. Laws disarming honest citizens proclaim that the government is the master, not the servant, of the people. A federal law along the lines of the Florida statute—overriding all contradictory state and local laws and acknowledging that the carrying of firearms by law-abiding citizens is a privilege and immunity of citizenship—is needed to correct the outrageous conduct of state and local officials operating under discretionary licensing systems.

What we certainly do not need is more gun control. Those who call for the repeal of the Second Amendment so that we can really begin controlling firearms betray a serious misunderstanding of the Bill of Rights. The Bill of Rights does not *grant* rights to the people, such that its repeal would legitimately confer upon government the powers otherwise proscribed. The Bill of Rights is the list of the fundamental, inalienable rights, endowed in man by his Creator, that define what it means to be a free and independent people, the rights which must exist to ensure that government governs only with the consent of the people.

At one time this was even understood by the Supreme Court. In *United States v. Cruikshank* (1876), the first case in which

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the Court had an opportunity to interpret the Second Amendment, it stated that the right confirmed by the Second Amendment "is not a right granted by the constitution. Neither is it in any manner dependent upon that instrument for its existence." The repeal of the Second Amendment would no more render the outlawing of firearms legitimate than the repeal of the due process clause of the Fifth Amendment would authorize the government to imprison and kill people at will. A government that abrogates any of the Bill of Rights, with or without majoritarian approval, forever acts illegitimately, becomes tyrannical, and loses the moral right to govern.

This is the uncompromising understanding reflected in the warning that America's gun owners will not go gently into that good, utopian night: "You can have my gun when you pry it from my cold, dead hands." While liberals take this statement as evidence of the retrograde, violent nature of gun owners, we gun owners hope that liberals hold equally strong sentiments about their printing presses, word processors, and television cameras. The republic depends upon fervent devotion to all our fundamental rights.

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Does money buy happiness?

ROBERT E. LANE

TWENTY YEARS ago in this journal, Richard Easterlin argued that richer societies are no happier than poor ones. However, Easterlin argued, within any one country richer people *are* happier than poorer people. He explained this anomaly as follows: People judge their economic welfare by that of their neighbors. If only national income rises, an individual's status, vis-a-vis his neighbors, remains unchanged.

But since then, new studies have almost completely reversed Easterlin's conclusions. These studies have found that economic growth does materially increase a country's collective sense of well-being and that differences in well-being within a country are not significantly related to income.[†]

Why the reversal? First off, we simply have better data. For instance, Gallup's 1976 transnational study concluded that a nation's poverty pervades all aspects of life, for it "adversely

[†]I will frequently use the term "sense of well-being" or simply "well-being" instead of "happiness." The latter is a mood or emotion, whereas many of the studies I will rely on use more cognitive measures such as "satisfaction with life as a whole," or complex indices of satisfaction and mood.

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colors attitudes and perceptions" as well as feelings. "Although one could probably find isolated places in the world where the inhabitants were very poor but happy," said Gallup, "this study failed to discover any area that met this test." And, in the most probing transnational analysis so far, Alex Inkeles and Larry Diamond found in 1980 "a strong indication ... that personal satisfaction rises with the level of economic development of the nation." Indeed, for national populations taken as a whole, money does buy happiness.

Comparisons within a society tell quite a different story, one that challenges some of our basic, commonsense assumptions. For here, money does not buy happiness. In almost all developed countries there is no substantial relation between income and well-being. In perhaps the best of the many single-country "quality of life" studies, Frank M. Andrews and Stephen B. Withey found in 1976 that "The groupings by socioeconomic status show very meager differences [in sense of well-being] ... and no significant single steps for [satisfaction with] Life-as-a-Whole." Two years later Jonathan Freedman reported in *Happy People* that: "The rich are not more likely to be happy than those with moderate incomes; the middle class is not more likely to be ... happy than those with lower incomes.... For the majority of Americans, money, whatever else it does, does not bring happiness."

However, Freedman found that the poor are different: "fewer of them say that they are very happy or moderately happy and more of them say that they are very unhappy than people with higher incomes." Freedman's qualification is crucial: Among the poor money does buy happiness and a greater sense of well-being.

Happiness is ...

As that respected but iconoclastic economist Tibor Scitovsky wrote in his 1977 book *The Joyless Economy,* many of life's pleasures are not bought and sold. Among these, he said, are work satisfaction, friendship, and the pleasures of solitary thought, reading, and other forms of non-commercial leisure. He was largely right.

Quality of life studies tend to divide the sources of well-being into two categories: external circumstances, such as available community services or family life, and internal dispositions, such

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as self-esteem or the sense that one controls one's own fate. As regards the first category, most studies agree that a satisfying family life is the most important contributor to well-being. Beyond that, the joys of friendship often rank second. Indeed, according to one study, an individual's number of friends is a better predictor of his well-being than is the size of his income. Satisfying work and leisure often rank third or fourth but, strangely, neither is closely related to actual income. (In contrast, neither church membership and piety nor good government and civic pride make much difference in well-being. Political activity is often last on the list; it is at best a duty and almost never a pleasure.) None of these factors is a market commodity. But the market is not irrelevant, for even if actual income is not a good predictor of well-being, satisfaction with one's income or standard of living (which is not itself closely related to level of income) is. It is the subjective rather than objective aspects of income that enter into the hedonic calculus.

Among the internal sources of well-being, self-esteem and sense of effectiveness rank first and second in some studies. Neither is related to level of income. In other studies the belief that one has met life's challenges ranks first. Money might be relevant here, but more as a token of social esteem than for what it buys.

If the things that contribute most to well-being are unrelated to money, we cannot buy them. This is the principle cause of money's curious failure to produce happiness.

Satisfaction vs. income

If income and satisfaction are not closely correlated, why do people pursue the former? Perhaps people have an insatiable desire for money, or for the social esteem that money sometimes buys. People may then adapt to their circumstances so that each increment of money soon creates a new standard against which they measure themselves. There is something to that theory. Still, there is evidence which suggests that the desire for more money tapers off as income increases. Furthermore, as mentioned, there is no evidence at all that money buys self-esteem. In fact, there is evidence to the contrary.

Consider the biological fixity of moods: We are born with happy or unhappy dispositions. As the physiological psychologist

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Jan Fawcett said of "joylessness," "We seem to be measuring a biological characteristic, like blue eyes, that doesn't change." Of course, since there are many reports of measured changes in long-term moods, this biological fixity must be seen as only a limiting condition.

Daily pleasures are different from overall satisfaction with one's life, but they too lack any significant relation to income. When Gallup asked Americans in 1981, "What gives you the most personal satisfaction or enjoyment day in and day out?" family activities again ranked first, but then, in order of preference came: television, friends, music, books and newspapers, house or apartment, work, meals, car, sports, and clothes. Few of these require expenditures that those below the poverty line cannot afford, even cars. The pleasures yielded by many of the others are purely comparative. Possessions may be important (in another study, a sample of primary grade school girls believed that their own identities were better defined by "the clothes that you wear" than by who their fathers were!), but at least enjoyment of these activities is not entirely income-dependent. As a society we have focused so much on possessions that we forget that it is not so much what one owns as what one does that gives pleasure.

And what about work? Don't higher paid jobs afford more power, discretion, challenge, and therefore pleasure? In 1985 Thomas Juster (reporting on several surveys in the 1970s and early 1980s) found that family and friendship were enjoyed most. But most striking was the high rank given "the actual work that you do," which was ranked right after family and social activities and well ahead of television, sports, movies, gardening, reading, and shopping. Strangely, Juster found little correlation between job status and job enjoyment. Other studies dispute this, but we may assume at least that the relationship is much looser than many middle-class intellectuals imagine. (I once interviewed a wallpaper-hanger who found his skill in handling corners a source of great delight.)

Well-being has as much to do with relief from pain as it has to do with pleasure; indeed, more so, because losses hurt more than gains please—and pain is remembered longer than is pleasure. Take the question of worries, which one would think to be more frequent among the poor than the rich. Not so. Andrews

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and Withey's surveys in the early 1970s found that when it comes to the amount of worrying "there are virtually no differences associated with socioeconomic status." But, as another study revealed, the worries are different: Whereas the poor and less educated worry about health and income and things they cannot easily control, the richer and better educated worry more about their relations with their spouses and children and the more controllable features of their lives. Money does not reduce worrying; it simply changes the subject.

Of course worries about security of income do vary with income, but less than one would think. For example, a 1976 study of Detroit and Baltimore workers showed that whereas the income levels of blue- and white-collar workers were almost identical, the blue-collar workers worried more about security of income than did white-collar workers. At the upper levels of income, people tend to worry more about rate of increase than about income cessation. And there, at comparable income levels, business managers are much more likely to worry about their rate of increase than are professionals. The point is that money does not always buy a sense of security.

We know from Andrews and Withey's study that a sense of being treated unfairly does lower people's sense of well-being, but in that study there is little evidence that the less well-paid believe they have been treated less fairly than do the better paid. Treatment is evaluated by comparing oneself to others in the same income group. Thus the national distribution of income is largely lost from sight. This pattern of within-group comparisons is one reason why Marxist predictions of class conflict failed. Indeed, except for the high salaries of film stars and sports heroes, this country's distribution of income meets with wide approval (including that of those very close to the bottom of the heap).

What about people who are unhappy? What do they do about it? Thomas Langner and Stanley Michael found in 1963 that the actual incidence of social stresses—such as physical illness, loss of spouse, lack or loss of close friends, and failure to "get ahead"—is not very different by social class, but that the coping strategies are very different. Where the middle and upper classes tend to plunge into work, a strategy that has some therapeutic effect, the working class tends toward expressive acts such as drinking

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or aggression, acts which only make matters worse. The relation between money and well-being is mediated by the superior coping strategies of those with more education and more money.

Why we think money matters

Most people think that a 25 percent pay increase would make them much happier. Yet those whose incomes are now at that higher level are no happier or more satisfied with their lives. Why are we so easily deceived? One reason is that changes in income do briefly influence our sense of well-being. But even the happiness that comes with an increase in income does not last long, for very soon the new level of income becomes the standard against which we measure our achievements. That relative satiation does not occur with, for example, friendship, work, or family life.

Another reason we are deceived is that the market culture teaches us that money is the source of well-being. Many studies show that people are not very good at explaining why they feel good or bad. Instead, people tend to use conventional explanations. And the conventional explanation is that the source is money. Nevertheless, I have found that most of my friends, on reflection, agree that it is not the things they buy or own that make them happy, or the lack of these things that depresses them. Instead, it is their relations with their spouses and colleagues, the well-being of their children, and their satisfaction with their work. I invite my readers to engage in similar introspection.

Market economists such as A.C. Pigou, Ludwig von Mises, and Tjalling Koopmans all report that the purpose of their studies (and inferentially of the market itself) is to maximize the satisfaction of human wants. But they measure that satisfaction, called "utility," in a circular manner: Satisfaction with something is revealed by the very fact that it was bought, regardless of the joy or sorrow that something may bring or of alternative, nonmarket uses of a person's time and effort. Moreover, economists refer to work as a "disutility"—the pain necessary to earn the pleasures of money and leisure. This is directly counter to the evidence we have seen showing that what one does at work is often a greater source of pleasure than are leisure activities (and a far greater pleasure than shopping). And it is contradicted by

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the studies showing that a sense of achievement and of mastering skills at work is more important for both work satisfaction and general well-being than is the income derived from work. The economists have their pain-pleasure calculus all wrong.

Around the world

Why are our conclusions today so different from Easterlin's? First, there are problems with Easterlin's data. In the 1965 study that Easterlin used, three of the nations at the poorest end of the scale (Cuba, Egypt, and Yugoslavia) had just experienced a revolution and enjoyed the exhilaration of defeating their "oppressors" and the (false) hope that their societies would now prosper. With the happiness scores of the poor nations thus artificially elevated, Easterlin was bound to find smaller differences between the poorer and the richer nations. And, as reported, when Inkeles and Diamond sorted out the effects of occupation and income, the difference made by income virtually disappeared. Later studies finding genuine differences in well-being between poor and rich nations avoided some of these problems.

When it comes to differences in well-being within countries, there has also been a real change. Among the more prosperous nations a revolution of values has occurred. In Europe, as in the United States, youth who grow up in times of peace and prosperity tend, when they become adults, to value money less than do people who grew up during the Depression or the Second World War. Instead, they give high priority to self-determination (including self-direction at work) and cultural expression. For this relatively prosperous group of postmaterialists money does not buy happiness.

But how is it that the collective good of national wealth, but not the private good of individual wealth, increases the sense of well-being? One reason is that the benefits of collective wealth generally increase the incomes of the poor, for whom money does buy happiness. Moreover, money can help reduce the particular afflictions of the poor, such as higher rates of infant mortality. Along the same lines, richer countries have better welfare systems than poorer countries. Thus, collective wealth buys both objective and subjective well-being for the poor. Or, more accurately, it buys relief from sorrow—a relief that does more to increase well-being than any similar increment of joy. A

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second reason is that, to the extent that "a rising tide lifts all boats," each "boat" is better off than it was before the tide came in and, finding pleasure in this comparison, is thereby discouraged from making invidious comparisons with others. These self-comparisons, as compared to social comparisons, are more likely to favor well-being. And a third reason is that in periods of general prosperity when most incomes are rising, people (Americans more than Europeans) attribute their higher incomes to their own efforts, rather than to such general factors as increased investment or higher economic productivity.

Observe the dilemma: Richer nations, made richer by their focus on productivity, have happier citizens than do poorer nations. But focusing on productivity and wealth reduces individual happiness. In other words, an increase in national wealth requires a sacrifice of the well-being of the present generation, by distracting them from the things that make people happier now: family life, friendship and social esteem, and especially a work environment that places work satisfaction first and economic gain only second. One might say that the sacrifice of well-being now for the well-being of our children is like saving for one's children. Clearly, it is a generous act. But it may be that in retrospect our children would prefer to have had happier parents taking care of them than to have, as adults, whatever financial increments might accrue to them.

The hedonic treadmill

So let us look again at individual happiness. If desires, expectations, and standards of comparison increase as rapidly as "achievements," no increase in income, no matter how large, will increase subjective well-being. This process leads to what two psychologists, Philip Brickman and Donald Campbell, have called the "hedonic treadmill." Is there no escape?

Perhaps there is. As we have seen, it is family, friendship, and work that contribute most to well-being. So far as I know, no research has suggested that these are satiable pleasures, that one tires of the satisfactions derived from friends and family, or that they have declining marginal yields. And from research on the pleasures of challenging, self-directed work, we know that it is characterized by the desire to continue working in "free time." Rather than being satiable, that kind of work is addictive.

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We see today a partitioning of the population such that some are condemned to walk a hedonic treadmill while others take a pleasanter path. At the bottom, as noted, the poor and the near-poor will profit from economic growth because for them increased income, whether collective or individual, does buy happiness. And for the better-off and better-educated, the latter a growing group, there is the postmaterialist path of self-directed work and even, it may be hoped, "a society where ideas count more than money." But for the materialist middle, who are quite indifferent to whether or not "ideas count," more money will not buy greater well-being and the hedonic treadmill lies before them—unless, with some help from outside, they come to realize that their families and friends and a fulfilling job are the true path to happiness.

Can government help?

As I have noted, much research shows that people are not very good at explaining and understanding the sources of their own well-being. However paternalistic it may sound, people do need help in structuring their choices and in understanding their situations.

Of all the sources of well-being, a satisfying family life is the most important. For the top 80 percent of the population, this form of satisfaction does not vary with income. But at the bottom, things are different. For poverty and family misery often go hand in hand. Therefore, policy should attempt to relieve poverty. Also, whenever markets disrupt communities they thereby undermine family life. Protecting families would do more to maximize happiness than would increasing productivity. But firms do not profit much from employees' family felicity, and even if they did, a competitive economy limits what they could do.

Because satisfaction with work is central to well-being, I advocate a two-pronged policy: First, full employment, not greater per-capita income, should be the primary goal of economic policy. And second, because work enjoyment and work learning depend on the use of skill and self-direction, firms converting routine jobs to jobs where workers can use their own discretion should be rewarded by government. It is true that the current "upskilling" of jobs has been in response to market forces, but these same market forces preserve the low security and low skilled (and low

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wage) jobs at the bottom. To maximize the "utility" derived from work (and not just to minimize "disutility") governments must intervene.

These proposals will do more to favor success in the popular pursuit of happiness than proposals to equalize income, which, for most of the population, would not alter the outcome of that pursuit at all.

Market economies have made us prosperous, but they do not maximize "utility" or the satisfaction of human wants. With skill and restraint, government policy can convert markets to that purpose. To this end governments must, so to speak, go off the gold standard and treat per-capita GNP as a useful but inadequate means to the true end of both governments and markets: maximizing well-being.

In 1930, anticipating future economic growth, Keynes wrote a letter to his "grandchildren" advising them to try "encouraging, and experimenting in, the arts of life as well as the activities of purpose [earning a livelihood]." "But chiefly," he said, "do not let us overestimate the importance of the economic problem, or sacrifice to its supposed necessities other matters of greater and more permanent significance." Keynes thought that "the permanent problem of mankind" is learning not just to live, but to live well.

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The Europeanization of the U.S. labor market

DAVID R. HENDERSON

IN NOVEMBER 1982, the United States was at the bottom of a severe recession in which the unemployment rate hit 10.6 percent. Although 101 million people were working, 11 million were looking for work. By the end of the 1980s, 119 million were working and the number of unemployed people had fallen to 7 million. Even as the U.S. labor force had grown by 14 million people, the U.S. economy had created 18 million jobs. Civilian employment as a percentage of the working-age population reached an all-time high in 1989. The U.S. economy in the 1980s was a virtual job machine.

The European labor market, on the other hand, was far less successful at creating jobs. Between 1980 and 1989, for example, West Germany's labor force grew by 0.7 percent per year, but over that same time, German employment grew by only 0.5 percent per year. That difference might seem slight. But over nine years, the cumulative difference was 2 percent. Thus the unemployment rate in West Germany was a full 2 percentage

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points higher than it would have been had the growth of employment equalled the growth of the labor force.

Similar stories hold for other major Western European countries over the same period. France's unemployment rate at the end of the 1980s was 2.8 percentage points higher than if the growth of employment had equalled labor force growth. For the United Kingdom, the labor force grew by 0.7 percent annually while employment grew by 0.6 percent. (The only major exception was Sweden, where annual labor force growth of 0.5 percent was less than the employment growth of 0.7 percent.) For the European Economic Community (EEC) as a whole, the labor force grew annually by 0.8 percent while employment grew by only 0.4 percent. Whereas before 1976, civilian employment as a percentage of the working-age population was less in the United States than in the United Kingdom, Germany, and France, it is now higher.

The good news is that the U.S. labor market has created so many jobs. The bad news is that governments in the U.S. are Europeanizing the U.S. labor market. Through legislation and court decisions, the U.S. is moving toward the kind of labor market restrictions that have so hampered job growth in Europe.

Eurosclerosis

European job growth has been so dismal that economists have coined a term for it: Eurosclerosis. The crudest measure of the phenomenon is the conventional unemployment rate, which is the number of unemployed people as a percentage of the civilian labor force. In 1989, unemployment rates in the EEC were as follows:

Country	Unemployment %
France	10.9
West Germany	5.8
Italy	7.8
Netherlands	8.8
United Kingdom	7.4

All had higher unemployment rates than the United States' 5.3 percent. And even West Germany, whose unemployment rate was only 0.5 percentage points above our own, had much higher unemployment than its average for the previous thirty years.

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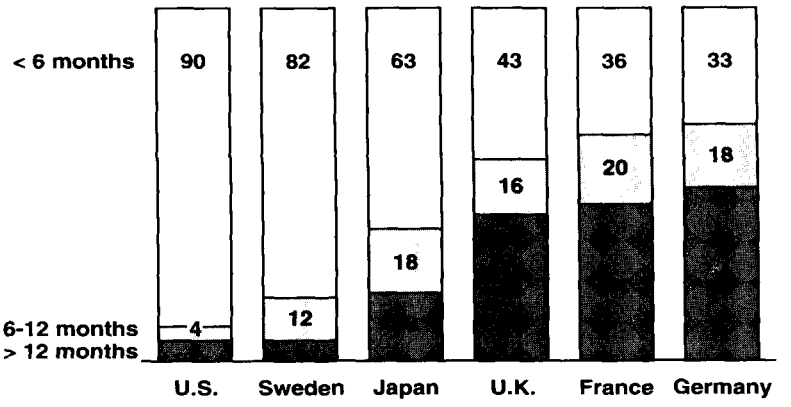
Figure 1

Distribution of Unemployment by Duration, 1989
(percent for each duration)



Source: McKinsey Global Institute, Service Sector Productivity, Washington, D.C., October 1992, based on data from OECD Employment Outlook, 1991.

Unemployment is not a major problem if it lasts only a short while. Economists view short-term unemployment as a healthy looseness in the joints that helps dynamic economies adjust. When demand for some industries' products increases and demand for others' products declines, as inevitably happens in a healthy economy, some workers in the declining industries lose jobs and seek work in the expanding industries.

The problem comes when unemployment lasts a long time. And here is where Eurosclerosis is very apparent. The five major members of the EEC for which the data are available had, in 1989, much higher long-term unemployment than did the U.S. For the United States, as for Canada, Japan, and Sweden, the long-duration unemployment rate, which equals the percentage of the civilian labor force unemployed thirteen weeks or longer, was very small. Only 1.2 percent of people in the U.S. labor force were unemployed longer than thirteen weeks, compared with rates for the EEC countries that were four to seven times as high. As can be seen in figure 1 above, the difference is even more dramatic for longer-term unemployment. Only 0.3 percent of people in the U.S. labor force were unemployed for one year or more, while the EEC countries had rates of 3.0 to 5.6 percent. In the U.S., the number of people unemployed for twelve

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months or more was less than 6 percent of the number of people unemployed. In the EEC countries, the corresponding number ranged from a low of 49 percent for West Germany to a high of 72 percent for Italy. In other words, more than half of the people in the EEC countries who were unemployed were unemployed for a year or more, compared to only one in sixteen in the United States.

Blame the government

When a large fraction of unemployed people is out of work for more than one year, economists tend to suspect government as the primary culprit. The reason is simple. The long-term unemployed can be divided into two categories: those who don't want work and those who do. Those who don't want work but are just casually looking or insist on nothing less than the ideal job, will stay unemployed long-term only if they are independently wealthy or if the government subsidizes their unemployment. Those who want work will typically find it in much less than one year if government does not prevent them from finding it. So the culprits to look for to explain high long-term unemployment are government subsidies that discourage people from finding jobs and government regulations that discourage hiring. Both were abundant in the EEC economies in the 1980s and much less so in the United States.

The main subsidy for not working is unemployment insurance which, in the EEC countries, differs in two main ways from the U.S. system. First, the replacement ratio, the ratio of benefits to pay, is typically higher in the EEC. A single forty-year-old worker previously employed at the average 1988 production worker wage, could get unemployment benefits equal to 59 percent of previous earnings in France, 58 percent in Germany, and 70 percent in the Netherlands. Compare this to 50 percent for U.S. workers. (Britain's system of unemployment benefits is unusual in that the weekly benefit does not vary with previous weekly pay. As a result, the benefit, at only 15 percent of the average 1988 production worker wage, was very low relative to past wages for high-paid workers and fairly high for low-paid workers.)

Actually, as Brookings economist Gary Burtless has noted, the difference in replacement ratios is higher than the above data

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indicate. The reason: The typical European worker is covered by government-provided health insurance, whereas the typical American worker is not. Therefore, when a U.S. worker loses his or her job, unemployment benefits, at about 50 percent of previous wages, are actually well below 50 percent of the previous total compensation, when the value of health insurance is included. When the European worker loses his or her job, however, if unemployment benefits are 60 percent of the previous wage, then unemployment benefits plus the government-provided health insurance exceed 60 percent of the previous total compensation. Economists have found that the higher the replacement ratio, the longer the person is unemployed. This makes sense. With less to gain from taking a job, workers are more choosy. The result is a higher overall unemployment rate and a higher long-term unemployment rate.

It pays to wait

The second systematic difference between U.S. unemployment benefits and those of the EEC countries is that with the latter, unemployed people can receive benefits for much longer. In France, for example, the maximum duration is two and a half years. In Germany, the maximum duration for unemployment insurance is one year, and for unemployment assistance, which is almost as high as unemployment insurance, there is no maximum. In the Netherlands, the maximum duration is three years, and in Britain it is one year. In the United States, by comparison, the maximum duration has been only six months.

Why does duration of benefits matter? Consider an unemployed person whose benefits are about to run out. That person knows that if he turns down the next job, he may be without any income when his benefits expire. So he is much more likely to accept a job. How many additional weeks of unemployment would a longer duration cause? Northwestern University economist Bruce Meyer and Lawrence Katz, now chief economist in President Clinton's Labor Department, answered a similar question for the U.S. in a 1990 article. Their research, funded by the National Science Foundation, considered the effects of a thirteen-week extension of unemployment benefits. They found that the extension increased the average duration of unemployment for someone receiving benefits by 2.2 weeks, from 16.2 weeks to 18.4

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weeks. This may sound small, but it translates into a 0.4 percentage point increase in the overall unemployment rate. So an additional two years of unemployment benefits, the difference between France and the United States in the late 1980s, could plausibly account for a one or two percentage point difference in unemployment and for a substantial fraction of long-term unemployment.

The two major anomalies in the data for Europe are Sweden and Italy. In Sweden, the replacement ratio is a stunning 90 percent and the maximum duration is sixty weeks. Yet, as noted earlier, the long-term unemployment rate in Sweden is low, even lower than that of the U.S. How can this be? Because the Swedish government typically requires those who receive unemployment benefits to work in public works projects or to be retrained. Sweden's measures reveal just how intrusive governments can become to discourage behavior that their own subsidies encourage. Bertil Rehnberg, director of the Swedish Labor Market Board from 1973 to 1983, stated the issue bluntly: "We have taken the view ... that society's view of what is a suitable measure ought in some cases to override the opinions of the individual."

When in these programs, Swedish workers are not counted as unemployed. The effect on the unemployment rate is huge. In 1989, for example, when only 66,000 people in Sweden were counted as being unemployed, the Swedish government had over 145,000 people in its public works and retraining programs. Had all of these workers been counted as unemployed, the measured unemployment rate in Sweden would have been 4.5 percent rather than the 1.4 percent rate actually reported.

The other anomaly is Italy. Although Italy had one of the highest unemployment rates and the highest rate for workers unemployed twelve months or more, Italy's unemployment benefits are fairly low. For workers generally, benefits replace only 15 percent of lost earnings. For industrial workers, according to the Office for Official Publications of the European Community, "where unemployment is due to redundancy because of cessation of the enterprise or of reduction in staff a special unemployment allowance equal to two-thirds of the last daily earnings is paid for 180 days...."

A possible explanation is that the high reported unemployment is a statistical artifact of Italy's huge underground economy.

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Possibly many Italians tell the government survey-takers that they are unemployed and then head off to work in their unreported jobs. One piece of evidence for this explanation is the ratio of the unemployment rate on a household basis to the unemployment rate on an individual basis. The former is the number of wholly unemployed households as a percentage of all households. The latter is the conventional unemployment rate. In 1985, Italy's ratio of the household unemployment rate to the individual unemployment rate was only 0.30, compared to a ratio between 0.45 and 0.68 for most of the rest of Europe. This low ratio supports the underground economy hypothesis: If unemployment were as important a problem as the conventional unemployment rate indicates, we would expect, along with a high long-term unemployment rate measured from data on individuals, a correspondingly high unemployment rate measured from data on households. But the low ratio of one to the other means that the percentage of wholly unemployed households in Italy is not correspondingly high.

Some U.S. economists have argued that the high European unemployment rates cannot be due mainly to high unemployment benefits because benefits in Europe were high between 1967 and 1973, when Europe's unemployment rates were below those of the United States. But that is like arguing that welfare statism has not hurt the Swedish economy because for the first few years after the welfare measures were introduced, the Swedish economy performed well. The fact is that people often adjust slowly to changes in economic institutions. The high unemployment benefits introduced in European economies in the 1960s should not have been expected to cause high unemployment immediately. Most workers, unlike the economists who study them, do not have accurate and complete data on the rules of the unemployment insurance system. Only by observing their friends and neighbors over time would most workers even know that they could, while unemployed, receive a large subsidy from their government that would last a long time.

No hiring

Another major difference between Europe and the United States has been that European governments have much more stringent restrictions on hiring, firing, and temporary work.

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The most stringent regulations on hiring are in Italy, where the government requires companies to rank candidates by criteria chosen by the government. The two main criteria: the size of the candidate's family and how long the person has been unemployed. Note the absence of any criterion that the employer would want listed, such as how productive the person is likely to be in the job. And the second criterion listed—how long the person has been unemployed—is likely to be negatively correlated with productivity. No wonder Italy's underground economy is so large.

The governments of Austria, Denmark, Finland, Greece, Italy, Spain, and Sweden give their own employment agencies a monopoly, making for-profit employment agencies illegal. The governments of Belgium, France, Germany, and Norway permit for-profit employment agencies only for filling temporary jobs. Some European governments even regulate the advertising of vacancies. The governments of Belgium, France, and Sweden, for example, require employers to notify the government employment agencies of all vacancies for which they plan to recruit outside the firm. The governments of Finland, Greece, and Spain require firms to report all vacancies, even those they intend to fill from within the firm, to the federal government. The government of Spain goes even further. According to the Organization for Economic Cooperation and Development (OECD):

> In Spain, it appears to be illegal to advertise a job at all until a contract of employment for it has been submitted to, and approved by, the placement service.

All such restrictions necessarily discourage employers from hiring, adding to the long-term unemployment problem. Compared to European countries, the U.S. restrictions on hiring look like laissez faire. The main American restrictions have been for affirmative action.

No firing

Nor can a typical employer in Europe just decide to fire someone. Rather, he or she must comply with various government regulations, many of which are quite onerous. One might think that such restrictions would reduce unemployment, and in fact they are likely to in the short-run, just after such restric-

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tions are implemented. But European governments' restrictions on firing have been in force for many years, which means that firms have had time to adjust to the restrictions. How might they adjust? The main way is likely to be by making fewer permanent hires. An employer who hires someone long-term knows that if the person does not work out, or if market conditions or technological change reduce the firm's demand for that employee, the employer may have to jump through government hoops to fire the person. The knowledge of this future hassle may well dissuade the employer from hiring in the first place.

Virtually all European governments restrict firing of individual employees. In Germany, for example, an employer must give an employee two to three months' notice and must consult the Works Council. Furthermore, the dismissal must not be "socially unwarranted." If the Works Council vetoes the dismissal, the employer must appeal to the Labor Court. During this whole process, the employer must keep the employee hired. The penalty for an "unfair" dismissal: one month of pay for every year of service.

In Italy, the restrictions are even more stringent. The employer must supply proof of the reasons for dismissing and the reasons must be "just." The employee may demand a meeting with the trade union and the employer, a hearing, and an appeal to the courts. The compensation for "unfair" dismissal is not less than five months' pay. As one expert on such laws summed it up, "Dismissal [is] considered practically impossible except for criminal acts."

France allows summary dismissal for gross misconduct. But if an employer dismisses an employee for economic reasons, the employee can claim financial compensation. Portugal goes a step further, prohibiting dismissal without "just cause," which includes gross misconduct but not incompetence.

Before European employers can dismiss a group of workers, they must pre-notify the workers, and, in most countries, must compensate the workers just as for individual firings. In France, between 1979 and 1986, employers wishing to dismiss part of their work force had first to consult the Works Council, which had up to fourteen weeks to prepare its opinion. Then the employer had to request permission from the Labor Office, which could wait up to thirty days to decide. Thus the total wait for collective dismissals could be over four months. Employers were also required to pay severance pay to hourly workers equal to at least twenty hours

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of wages per year of service. A new law in 1986 abolished the role of the Labor Office and shortened the delays.

These restrictions on hiring and firing make it harder for people in Europe to get jobs because employers know that jobs are made semi-permanent by law. This permanence shows up in the data. Only 19 percent of employees in the EEC in the late 1970s had held their jobs for less than two years, versus 39 percent in the United States in 1983.

Temporary solutions

One way to get around restrictions on hiring and firing is to hire people for periods of time fixed in advance or to contract with temporary work agencies, like Kelly Temporary Services in the United States. And that is what many employers in Europe did. So in the 1970s, European governments began to respond by regulating temporary work. The governments of Italy and Sweden are the most restrictive: both prohibit private temporary work agencies and both "severely restrict direct employment on the basis of non-permanent contracts." In Sweden, a law passed in 1976 gives trade unions the power to object to temporary work contracts in cases where improper practice is suspected. Of course, as a result of these restrictions, both Italy and Sweden have large black markets in temporary employment. In Germany, France, Belgium, Denmark, and the Netherlands, legislation passed between 1970 and 1976 imposed strict regulations on temporary work companies. In Germany, for example, the maximum period for temporary work was only three months (but has been increased to six months since 1985). The German government also has an outright ban on temporary work in the construction industry. In 1982, France's Socialist government tightened restrictions on temporary work after the number of temps had increased rapidly between 1975 and 1982. Trade unions, as in Germany, were given the legal power to object to temporary work. As a result, the number of temporary employees fell by 30 percent in 1983. In 1986, the restrictions were loosened.

The other major policy that hampers job creation in Europe is the legal monopoly given to labor unions. Unions typically use such monopoly power to increase wages, which reduces the number of workers that unionized firms wish to employ. This does not distinguish European labor unions from American ones. What

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is different, though, is that labor unions' legal privileges diminished in the 1980s and early 1990s in the United States, but increased in Europe. One major diminution occurred in 1981 when the Professional Air Traffic Controllers Organization (PATCO) engaged in an illegal strike against the U.S. government. Based on past experience, PATCO's members had good reason to think that they would get away with it. When other unions of government employees had gone on strike illegally, they had not been fired. But PATCO guessed wrong. Newly elected President Reagan charged the PATCO strikers with breaking the law, and, more important, hired permanent replacements and refused to reinstate the strikers. Presumably, public-sector employees, an increasing percentage of unionized employees, got the message that they could no longer be sure of getting away with striking.

Another major diminution of U.S. union power occurred with the Supreme Court's 1988 decision in *Communications Workers v. Beck*. In the twenty-nine states without "right to work" laws, American labor law allows for so-called union shops. Translation: If unions and employers agree to it, unions may collect dues from all employees, even those who choose not to join the union. Because workers have to pay dues whether or not they join, many workers go ahead and sign up. But the *Beck* decision states that unions cannot use the dues collected from non-members for political purposes. Now, a worker in a union shop has a financial incentive not to join. The incentive equals the amount of dues the worker saves by not having to contribute to the union's political activity. The other major difference between labor unions in Europe and in the United States is that governments in the United States generally have not given labor unions the power to block hiring and firing and to prevent the hiring of temporary employees. As a result of the decline in U.S. unions' legal privileges, the number of private-sector union members, which peaked at 17 million in 1970, had fallen to 10.5 million by 1989.

America looks east

U.S. labor markets have, in general, been much less regulated than European markets. As a result, the U.S. economy in the 1980s managed to create one new job for every existing six. Yet government officials in the United States are increasingly imitat-

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ing the failed policies of Europe. U.S. governments are intervening more, while, ironically, some countries in Europe have slightly reduced intervention.

In 1979, President Carter signed a law requiring recipients of unemployment benefits to pay taxes on those benefits. Benefits were taxed if the workers were above a certain income threshold. In the 1982 tax law signed by President Reagan, these thresholds were reduced. Finally, in the 1986 Tax Reform Act, the thresholds were reduced to zero. Since then, all unemployment benefits have been fully taxable. Thus the tax laws of the 1980s reduced the size of unemployment benefits relative to wages and so made work somewhat more attractive. But in March 1993, the United States took a major step toward the European system. President Clinton and Congress, against Republican opposition, passed a program of extended unemployment benefits. The new federal program increases the possible duration of unemployment benefits by twenty weeks in states with low unemployment rates and by twenty-six weeks in states with high rates. Now, a worker in a state with a high unemployment rate can collect benefits for as long as a year. The result is likely to be a more than 0.4 percentage point increase in the unemployment rate and a large increase in long-term unemployment.

A major new restriction on hiring is the Americans with Disabilities Act (ADA), passed in 1990 with the support of former President Bush. The act bans discrimination by employers against any "qualified individual with a disability." The act applies to all employers with fifteen or more employees. Discrimination is defined not just as failing to provide equal pay and equal employment opportunity, but also not making the "reasonable accommodations" necessary for the employee to perform the job's "essential functions." And what is disability? The ADA defines it as a mental or physical impairment that "substantially limits" one or more "major life activities," which include walking, talking, and breathing. The act never specifies how serious the condition must be. And the act explicitly counts as disabled those with a history of alcohol or drug addiction and those with AIDS. An employee who sues under the act and wins can obtain the same remedies that are available under the Civil Rights Act. This means that employers who fail to provide "reasonable accommodations" for their "disabled" employees could pay huge settlements.

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The ADA will hurt employment in three ways. First, employers will try carefully to figure out whether a job candidate has disabilities that will cost the employer once the candidate is hired. Of course, the employer cannot explicitly turn down a job applicant due to disability, because that would violate the law. So the employer will find excuses. Thus, employment for disabled people could well fall in the short-run. Many of the disabled will be able to offset the disadvantage that the law creates for them by accepting lower wages. But some will not, partly because the same law bans paying lower wages to disabled people.

The second effect of the law on employment will be to discourage employers from hiring anyone, disabled or not. An employer knows that simply turning down a disabled applicant, either because the applicant is disabled or for other reasons, could open her up to a lawsuit. So the employer may simply choose not to fill certain jobs or to use temporary employees. The third effect will be for firms with slightly over fifteen employees to cut their employment down to fourteen. That way, they will be exempt from the law.

The cost of family leave

Another law that discourages hiring is the Family and Medical Leave Act, passed in February 1993 with the support of President Clinton. This act requires employers with fifty or more employees to provide up to twelve weeks of unpaid leave for medical emergencies that involve an employee's immediate family. To the extent the law is effective, it will give unpaid leave to employees to whom the employer did not want to give leave. That is the key point that some of the law's proponents obscured by arguing that such leave was in the interest of the employer: If the employer's true interest was to provide leave, he or she would do so without the law requiring it. Thus the law will raise the costs of employing those workers. The Joint Economic Committee estimated that just the out-of-pocket expenses, such as health insurance premiums, for twelve weeks of unpaid leave in 1991 were $1,995 per worker. And the reduced amount and quality of output due to the absence of those employees would add substantially to the cost. An employer may respond by hiring fewer people who are likely to take unpaid leave. The effect, as with the Americans with Disabilities Act, would be less employment.

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The effect will probably not be large because the mandated leave is unpaid and few employees will, therefore, take advantage of it. But in the longer run, advocates of mandated leave will seize on this low usage as an argument for requiring paid leave. They will point to the paid leave for medical emergencies that exists in many European countries. And if they succeed in getting the U.S. government to mandate paid leave, the costs of leave will be much higher and the effects on employment much greater.

The United States has also moved closer to Eurosclerotic policies with its law on plant closings. Passed in 1988, the law requires companies employing more than one hundred people to give sixty days advance notice of any closure or layoff involving fifty or more full-time employees. Although the law is full of exemptions and has not, therefore, had much effect, it is still a significant step toward European labor policy. Just as for Europe, the short-run effect is to save jobs by raising the cost to the employer of closing. But the long-run effect will be to make employers less likely to hire.

Judicial innovations

While the Congress and state legislatures have not placed nearly as many burdens on employment as exist in Europe, increasingly they don't have to. U.S. courts are doing it for them. Before the 1970s, U.S. courts subscribed to the "at will" doctrine for employers. Under this doctrine, employers are free to terminate employees at will, just as employees are free to quit at will. But since the 1970s, courts have chipped away at this equal treatment of employers and employees. In April 1993, for example, the California Court of Appeal upheld a $5.1 million damage award in *Hunio v. Tishman Construction Co.* Hunio, a construction manager, had walked off a major project because, he said, a customer was "abrasive and abusive." When he came back, he claimed, the company gave him only minor projects, left him idle much of the time, and denied him a raise and a Christmas bonus. The jury award to Hunio included $2 million for "emotional distress" and $1 million in punitive damages.

Such seven-digit awards are much more common than they used to be. The average wrongful-termination jury award in California is $1.3 million, which is almost three times what it was just five years ago. The threat of such awards makes employers

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wary of hiring long-term in the first place.

Employers can also avoid such suits by hiring temporary workers. When we in America used to think of temporary workers, we thought of typists filling in for a few days for someone who was sick. But nowadays even mortgage bankers, physicians, and academics are temporary workers. And, although in the year ended June 1993, manufacturing employment officially fell by 300,000 in the U.S., the number of manufacturing workers provided by temporary agencies grew by 300,000.

As mentioned earlier, European governments have responded to the growth in the temporary sector by regulating it. The first major such step in the United States was made with the 1990 budget law. One provision of that law requires all government workers, whether they work one day or forty years, be covered either by a pension plan or Social Security. Public employee unions lobbied for this provision. As the U.S. temporary sector expands, other unionized workers may well lobby for similar provisions for the private sector.

Helping the unions

Recent measures have also strengthened the hand of unions. In December 1992, the National Labor Relations Board outlawed "quality circles" in non-union firms. The NLRB did so by declaring that in non-union firms, cooperation between labor and management is illegal, because the committees through which the cooperation occurs are "company unions." This ruling may well mean that the only way U.S. firms can have quality circles is to have unions. And President Clinton made another step in the direction of Europe by reversing an executive order signed by President Bush that implemented the *Beck* decision. Bush's order required that each union report the amount of dues used for political purposes so that workers who didn't want to contribute didn't have to. That order weakened the union shop. But as one of his first official acts, President Clinton reversed the order. No longer are unions required to report the amount spent on political pursuits. Because the Supreme Court ruling is effectively not enforced, it is much easier for unions to ignore. This strengthening of unions' monopoly power hurts employment.

The Clinton administration is also pushing for a law to ban the hiring of permanent replacements during a strike. Such a law would strengthen the legal monopoly of unions. Finally, Presi-

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dent Clinton's labor secretary, Robert Reich, has announced a ten-member commission that is supposed to redraft U.S. labor laws. The appointees include Douglas Fraser of the United Auto Workers; John Dunlop, who, as labor secretary under President Ford, unsuccessfully tried to pass legislation allowing picketing unions to shut down construction sites; and former President Carter's labor secretary, Ray Marshall, a strong union backer. Not a single member represents the almost 90 percent of the private U.S. workforce that is non-union. Although the commission's recommendations are not yet known, the political slant of the commission suggests that it will recommend further strengthening of union monopolies.

Reverse course now

The U.S. has avoided many of the rigidifying regulations that have hampered employment in Europe. If anything should have taught us how wise we were to do so, it is the employment records on both continents in the 1980s. Yet the U.S. labor market continues to Europeanize.

It is not inevitable. Nothing is stopping us from reversing course and deregulating further. The 1980s showed us what a little deregulation could do for employment. Why not deregulate further? We could make unemployment insurance into true insurance, in which the beneficiaries pay premiums that reflect the probability they will make claims on the insurer. We could return to the symmetric treatment of employers and employees that existed in the law before the 1970s. That would mean abolishing restrictions on hiring and firing which hurt employees as well as employers. We could eliminate the special legal powers that force employees to join unions against their will. These measures could create millions of productive new jobs. As a bonus, they would increase our freedom. Who says there's no such thing as a free lunch?

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Bauhaus blunders: architecture and public housing

WITOLD RYBCZYNSKI

CABRINI-GREEN IS a large, inner-city public housing project on Chicago's Near North Side. It attracted national attention in October of 1992, when a seven-year-old boy walking to school with his mother was fatally shot (for no apparent reason) by a sniper from an abandoned apartment in one of the project's high-rise buildings. The tragic shooting was widely reported, and journalists drew predictable, if far-fetched, parallels with violence-ridden Sarajevo. What struck me was how much the background behind the television reporters really did resemble Sarajevo—that is, it looked European rather than American. It was not only the bleak expanses of grassed public spaces rather than streets, and the lack of private gardens, but also the sight of tall, institutional-looking apartment blocks rather than of neighborhood streets lined with single-family houses.

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It is perhaps our most notorious housing project, though it has a great deal of competition, and it was thus appropriate that it was chosen as the subject of an international architectural competition, sponsored by the *Chicago Tribune* this year, the hundredth anniversary of the great Columbian exposition in Chicago which launched the "City Beautiful" movement in the United States. The problem set: What could be done about Cabrini-Green?

What I saw of Cabrini-Green on television after the shooting was a reminder, as the housing critic Catherine Bauer wrote more than thirty-five years ago, that "Life in the usual public housing project just is not the way most American families want to live." That this was not always so is evidenced in Cabrini-Green itself, which is a veritable Olduvai Gorge of American public housing policy evolution.

Frances Cabrini and William Green

The oldest housing on the site dates from 1941, not long after the Housing Act of 1937 that signalled the first involvement of the federal government in funding housing for what were then called the deserving poor. Frances Cabrini Homes was named after a soon-to-be-canonized Chicago nun, famous for her charitable work, and it was built on the site of a notorious Italian-American slum known as Little Hell. The new housing consisted of almost 600 dwellings in two- and three-story brick buildings; the total area of the project was relatively small: sixteen acres. The unassuming architecture of these row houses—every dwelling had its own front door on the street—was not substantially different from the popular urban housing then being built by the private sector in the surrounding city. The brick facades even incorporated some decorative elements. The overall design, like that of most prewar public housing projects, is modest but unremarkable; it was taken for granted that poor people would prefer to live like everyone else.

During World War II, construction of publicly subsidized housing virtually ceased, and, in 1949, the Truman administration passed a new housing act intended to reactivate the government's commitment to providing rental housing for those who could not afford the private market. The ambitious new act provided funds for more than 800,000 new public housing units across the coun-

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try. In Chicago, the 1940s and 1950s coincided with a large immigration, much of it black—from 1940 to 1960, the number of the city's black residents grew from 278,000 to more than 800,000. Some of these were from the rural South (their story has been documented by Nicholas Lemann in *The Promised Land*), some were from other northern cities, but all were poor, and many needed social assistance, at least for a time.

The Chicago Housing Authority responded to a big problem with big solutions. In 1955, work started on a huge extension to Frances Cabrini called William Green Homes, after a Chicago labor leader. This was the era of urban renewal, and more than fifty acres of the surrounding neighborhood were cleared. This time there were more than 1,900 apartments in fifteen free-standing buildings, ten- and nineteen-stories high; in 1962, eight additional fifteen- and sixteen-story apartment slabs were added. While the residents of Frances Cabrini Homes had been almost entirely white families, the 10,000 people who occupied what was now called Cabrini-Green were almost all black.

Although Cabrini-Green occupies almost as much land as the Loop itself, it is not the biggest public housing project in Chicago—that dubious honor belongs to Robert Taylor Homes, said to be the largest public housing project in the world. But Cabrini-Green was the first of the big projects, and it did become a model for how municipal authorities would rehabilitate deteriorated inner-city real estate and provide large amounts of public housing. The solution—bulldoze existing houses and replace them with tall apartment slabs spaced far apart in open parkland (created by closing off existing streets to make immense "superblocks")—reflected the prevalent social and architectural thinking of the time. As Bauer pointed out, this was not how the majority of Americans really lived—or would choose to live—but the idealistic housing reformers felt that they knew best.

A new architecture

The French architect Le Corbusier, who proposed that cities should consist of freestanding high-rise buildings in a parklike landscape, is often given the credit—or the blame—for this new urban vision. But the model for the public housing projects of the 1950s was closer to home. The urban design of Cabrini-Green closely followed the ideas of Ludwig Hilberseimer, a Ger-

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man planner who had lectured at the Bauhaus and emigrated to the United States—to Chicago, in fact, where he taught at the Illinois Institute of Technology. The man who had brought Hilberseimer to IIT was Ludwig Mies van der Rohe, another German expatriate and fellow-Bauhauser living in Chicago. His influence was evident in the utilitarian appearance of the Cabrini-Green apartment slabs (designed by Epstein & Sons and Pace Associates), which resembled high-rise factories with exposed concrete frames filled in with glass and brick. Mies had built exactly such an apartment tower in Chicago in 1949 and, in 1955, he and Hilberseimer were engaged in designing a large commercial housing project in Detroit.

Architects and planners maintained that high-rise buildings were better because they occupied less land, and provided their occupants with sunlight and unobstructed views, but the Chicago Housing Authority was probably attracted to Modern architecture for the same reason that many commercial developers were partial to the designs of Mies van der Rohe—their cost. The truth is that standardized, stripped-down, and undecorated tall buildings can be erected quickly and inexpensively. It is also likely that the plain architecture suited the puritan view of many Americans—and certainly of the housing reformers—who felt that social housing should not be fancy. Soon, utilitarian high-rise apartment towers were accepted as the best solution for public housing.

High-rise slums

However, it was one thing to build apartment towers for the upper-middle-class, as Mies did, and quite another to adopt them as solutions for housing the poor. The well-off have doormen, janitors, repairmen, and baby-sitters; the poor have none of these things. Without restricted access, the lobbies and corridors were vandalized; without proper maintenance, elevators broke down, staircases became garbage dumps, roofs leaked, and broken windows remained unreplaced; without baby-sitters, single mothers were stranded in their apartments, and children roamed unsupervised sixteen floors below. In Cabrini-Green, there were problems with the design of the buildings: To save money, no private balconies or terraces were provided, access galleries and elevator lobbies were left open to the elements (in frigid Chicago!), and

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despite the lack of air-conditioning, the unshaded apartment windows of the tall buildings faced east and west.

Equally unsuccessful was the overall layout which dispensed with the familiar street and supplanted it with parkland, although what little landscaping there was quickly disappeared and was replaced by beaten dirt and asphalt parking lots. In any case, the open pedestrian spaces were problematic: windy, unappealing, and more crime-prone than conventional streets and sidewalks overlooked by individual homes. In the name of housing the poor, the well-meaning social reformers of the 1950s invented a new type of urbanism, quite foreign to any previous American ideal of city planning. It is hardly surprising that the projects acquired a social stigma. This, as well as crime, drugs, and poor management, explains why today one-third of the apartments at Cabrini-Green remain unoccupied.

What now?

One drastic solution to dealing with what have become, in effect, high-rise slums, is simply to abandon them. This is what happened to the infamous, 2,740-unit, Pruitt-Igoe public housing project in St. Louis, which was built in 1957 but which was so vandalized that it was completely vacated in 1974, and was torn down in 1976. But what to put in their place? Nothing, some said. The Reagan administration effectively stopped providing federal funds for the construction of new public housing, believing that if we provide employment, housing will take care of itself. In this hands-off approach, for those without work or in strained circumstances, there would be some form of housing vouchers.

Others proposed that the government assist poor people in purchasing houses, or in forming housing cooperatives. While this might help some families, the added burden of homeownership is a questionable benefit for those already battered by the multiple difficulties of poverty. (There is also a political obstacle: In America, homeownership has always been considered a reward for economic achievement, not a right.) Those who would continue a government role in constructing housing for the poor suggest that public housing should be dispersed throughout the community: a house here, a house there. This strategy, tantamount to disguising soup kitchens as Burger Kings, would at

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least get rid of the stigma of the projects, although it would also create an administrative system of daunting complexity. Still, even if some enlightened and pragmatic combination of housing vouchers, assisted homeownership, and dispersed housing were to replace large public construction of housing in the future, the problem of the projects, where some 3.5 million Americans currently live, would remain.

Architectural solutions

The *Chicago Tribune* architectural competition asked entrants to show how Cabrini-Green could be reconfigured "to provide a model for decent and humane public housing." The entrants were free to demolish or retain existing buildings, and dispense with existing zoning and building regulations. Although there was no cost limitation it was pointed out that "the Chicago Housing Authority is a cash-strapped public agency," and the emphasis was clearly on practicality rather than utopianism.

The results were exhibited at the Chicago Athenaeum last summer. Altogether, there were about 300 entries from ten countries, including several by prominent architects: Lucien Kroll of Brussels, Thomas Beeby and Stanley Tigerman of Chicago, Morphosis of Los Angeles. The solutions are a mixed bag, ranging from the touching entry of two young girls who live in Cabrini-Green, to the sort of conceptual posturing that characterizes so much of contemporary architecture. One entry mysteriously linked Cabrini-Green to the tidal cycles of Lake Michigan, another incorporated an amusement park into the public housing project, yet another nastily suggested "circling the wagons for safety" by creating fortresslike housing structures surrounded by masts with batteries of high-intensity spotlights. One designer, apparently a devotee of Buckminster Fuller, produced a solution to low-income housing based on prefabricated concrete spheres—the houses resembled light bulbs.

The winning project was the work of two assistant professors of urban design at North Dakota State University in Fargo, North Dakota. Jim Nelson and Don Faulkner's proposal brims with Midwestern good sense. Rebuild the old street-grid, the designers suggest, and fill in the open spaces with traditional rowhouses oriented to the streets. Save as many of the existing apartment blocks as possible and mix in commercial buildings

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(public housing traditionally has no commercial or industrial functions), and introduce small parks and squares as well as civic buildings like police and fire stations, churches, and daycare centers. Create avenues linking two large neighborhood squares. Replace the two large schools with several smaller elementary schools.

Back to the future

The carefully crafted project of the winning team is representative of a current approach to urban design that has been termed neotraditional, but whose adherents prefer to call it the New Urbanism. The New Urbanism represents a turning away from the principles that have characterized American urban design since the 1950s, a rediscovery of the virtues of traditional, gridded streets scaled to the pedestrian, and a return to cities that integrate a diversity of urban uses—commercial and industrial as well as residential—rather than being zoned according to single functions. So far, the accomplishments of architects and planners like Peter Calthorpe, Daniel Solomon, and Andres Duany and Elizabeth Plater-Zyberk, have been predominantly suburban in location and aimed at an upper-middle-class clientele, but the commercial successes of the New Urbanism are evidence of its broad appeal to consumers and developers alike. It seems entirely appropriate that such a mainstream, pragmatic approach should be applied to the remedial design of public housing.

An appealing feature of the New Urbanism is architectural design whose flavor is regional rather than international. In Nelson and Faulkner's proposal, moreover, the traditional design approach means that public and private housing are indistinguishable. "One must avoid the danger of building for the poor under regulations or in a style very different from that to which the middle class is accustomed," wrote Nathan Glazer in the pages of *The Public Interest* in 1967. Just so. Despite the argument of one of the Cabrini-Green competition entrants that "Architecture is not the solution, architecture is not the problem," it's obvious that large islands of high-rise apartment blocks that contribute to social isolation are a problem.

But more than architectural alterations are required to make the projects part of the city again. The most radical change that Nelson and Faulkner suggest is that the Chicago Housing Au-

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thority sell off a good part of the land that it owns to private developers who would build residential, commercial, and retail functions. According to the designers, of the 8,000 dwellings in the final scheme, which also takes in land next to Cabrini-Green, adjacent to the Chicago River, almost two-thirds will be privately owned. In such surroundings, the public housing finally would have a chance to be socially and economically—as well as architecturally—integrated into the surrounding city.

Instead of the monumental plan of the 1950s, whose proud proclamation of public largesse ultimately created a vast island of poverty, the new Cabrini-Green would be woven back into the surrounding fabric of Chicago. Could it work? Maybe. It can hardly be expected to solve all the problems that plague public housing: the senseless shootings, the crime, the gangs and drugs, the chronic dependency on welfare. Still, a more supportive physical environment in conjunction with the sort of managerial changes that the Chicago Housing Authority has slowly begun to implement at Cabrini-Green—security checks, supervision of apartment lobbies, better maintenance, better responsiveness to tenants, better policing, more thorough screening of prospective tenants—would help. It will also be necessary to convince the private sector to invest in housing and commercial developments in close proximity to public housing, and this will undoubtedly be the most difficult aspect of the proposals to realize.

Future prospects

Vincent Lane, the chairman of the Chicago Housing Authority, was a member of the jury that unanimously picked the winning project. (The jury also included architects, a housing historian, a journalist, and the president of the Cabrini-Green residents' advisory council.) Lane has been careful to point out that Nelson and Faulkner's proposal will not be carried out in its present form, although he feels that many of the ideas can be implemented.

One of the *Chicago Tribune* competition entries, prepared with the collaboration of a group of Cabrini-Green residents, angrily describes the architecture of the housing project as a "trap." This was surely the last thing on the mind of the liberal framers of the first public housing legislation, who bravely called

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for "decent, safe, and sanitary dwellings for families of low income" more than fifty years ago. Their failure, for the projects are a failure, is a reminder that whatever is done—and clearly something *must* be done about public housing—should be done with great caution.

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Cities, suburbs, and the urban crisis

PETER D. SALINS

THE RETURN OF a Democrat to the White House has led the nation's big city mayors and other advocates of urban interests to hope that the national government will once again fund a large-scale "urban policy." The reigning assumption behind this hope, one validated by media coverage of the Los Angeles riots last year, is that America's cities, especially its bigger ones, are in the grip of an "urban crisis" stemming largely from the federal government's willful neglect of the cities during the twelve lean years of Republican presidential rule. For the time being the promotion of Clinton's urban policy must take a back seat to the grander projects of economic revitalization and health reform. But sooner or later Washington will get around to sending a lot more money to the cities to ease their collective and individual crises. If this hap-

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pens without rethinking the true nature of the cities' problems, and without recasting the solutions, the new money will no more solve the cities' problems than did the billions spent on urban policies past.

Our urban squalor

What, exactly, constitutes the crisis of America's cities? The United States has long faced two very different urban dilemmas. One is the fact that all U.S. metropolitan areas have large numbers of very poor, usually disproportionately minority, households; households suffering not just from poverty, but from many attendant social problems. This has frequently been deplored, but rarely characterized as a crisis. The other dilemma is that the natural locational forces of U.S. metropolitan areas, in combination with the effects of their jurisdictional fragmentation, conspire to keep most poor households in the central cities. It is this geographic fact that is perceived as a crisis, and that is the focus of the various national and state efforts labeled as "urban policy." We have been preoccupied with the geography rather than the existence of poverty primarily because the central cities remain, in fact, the functional hearts of all metropolitan areas, the home base of America's media and opinion elite. Because the social problems of the metropolitan poor are concentrated in every urban region's core, they are highly visible to the leaders and visitors of metropolitan America, and they are disruptive of its image, enjoyment, and perhaps even its economic life.

The external face of these problems is revealed in a visit to any U.S. metropolitan area. Just outside any redeveloped central city downtown, with its new office towers, "festival markets," new museum and library additions, reclaimed waterfronts, and gentrified townhouse blocks, you will find a sea of urban squalor. Here you will see dozens to hundreds of blocks of deteriorated and abandoned residential structures amidst filthy and ill-maintained streets, parks, schools, and public housing projects. Behind the wretched physical facade of the area lie the depressing statistics of unemployment, family breakdown, substance abuse, crime, and welfare dependency.

Fifty years of local experimentation have taught us that neither pervasive urban poverty nor its social correlates have municipal or metropolitan causes or cures. National economic and

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social factors are responsible for the problems and only national policies can correct them. But the concentration of these problems in the neighborhoods of the central cities and a few other unlucky municipalities, and the strain on the hapless host municipalities of funding and managing responses to them is a local issue; it is primarily a product of America's *metropolitan* policies. National, state, and local policies for metropolitan areas affect the way urban problems are spatially distributed; such policies allow most suburban communities to strategically keep urban problems outside their own gates, and they make these problems mainly the burden and responsibility of the places where they are situated.

A municipal concern

Under present arrangements dealing with poverty is mostly a municipal concern. In addition to the usual array of broad-based local services: education, infrastructure, and public safety, cities and suburbs are expected to offer critical health, housing, income assistance, and social services to their poor. The latter services are costly, difficult to administer, and often ineffective, and the resources they consume make it harder for affected places to provide high quality educational and other services for the rest of their residents. This subjects cities to a perverse and vicious cycle. Unlike many suburbs, cities cannot limit or determine their populations. The dynamics of each metropolitan system, present and past, acting through countless individual locational choices, capriciously deals each city its demographic hand. Because a city has to address the social as well as functional needs of its residents, the particular profile of households within its boundaries determines whether or not the city is a desirable place to live. If a city is perceived as an undesirable place to live, its complement of metropolitan households will become increasingly problematical, exacerbating its "urban crisis."

The large concentrations of the poor in U.S. cities have most urgently compromised what is increasingly characterized as the affected municipalities' *quality of life*. The term, while vague, describes three things: the attractiveness, functional adequacy, and cleanliness of the physical environment (streets, sewers, parks, housing, etc.); the quality of local education and other ordinary

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municipal services; and the level of civil order—meaning the extent of crime, graffiti, drugs, homelessness, or other real and perceived threats. It is in the realm of quality of life that the central cities are at the greatest disadvantage relative to their suburbs. The need to provide an expensive array of social, health, and housing services for the poor keeps cities from lavishing more money and attention on education, parks, and roads. Education, for example, consumes about half of most suburban budgets, but rarely more than a third of most central cities'. And the cities' lower level of school funding must be expended on more educationally intractable pupils. But most critically, from the point of view of other urban residents, the social problems of the poor contribute to the cities' physical blight and civil disorder. A key substantive and symbolic indicator of disorder, one keenly affecting popular perceptions of the cities, is crime. Differences in crime rates between central cities and their suburbs are dramatic. From Boston to Seattle, from Milwaukee to New Orleans, central city crime is anywhere from twice to ten times as prevalent as in a typical suburb.

Fifty years ago most U.S. cities dominated their metropolitan regions, and less than a third of the urban population lived in the suburbs. The cost of servicing the urban poor was not so great, and it was spread across a broad range of central city households and businesses. After the Second World War, however, the dramatic expansion of metropolitan regions transformed the suburbs from mere adjuncts to powerful competitors of the central cities. The quality of life disparities between cities and suburbs are now so large, and so widely perceived, that the suburbs have become fiscal and quality-of-life sanctuaries, with profound effects on the locational choices of metropolitan households and businesses. While the economic benefits of centrality keep many businesses and households in the central cities, a large complement of metropolitan economic and residential activity is free to move to the suburbs without suffering serious inconvenience or economic loss. If localities vary not only in their convenience, physical facilities, and other intrinsic characteristics, but in the quality of their services and the taxes they levy to pay for them, households and businesses will obviously choose to settle in the more "successful" communities when they can, even if this contradicts the iron logic of urban economics.

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Recognizing that their demographic and commercial mix may make the difference between governmental success or failure, and between a luxurious or squalid quality of life, municipalities compete with each other to recruit the most beneficial mix of higher-income households and businesses they can. Unfortunately for the central cities and low-income suburbs, this is not a competition they can ever hope to win.

The new segregation

In a metropolitan universe where jurisdictions are pitted against each other for social, fiscal, and economic survival, the most sensitive variable distorting locational choices, and affecting local conditions, is a place's racial composition. Race is not only highly correlated with the central city poverty that middle-income households and businesses try to escape, it is its most visible symbol. Given the well-entrenched habits of racial and class bias, we would expect to find racial segregation within metropolitan regions. But the availability of suburban sanctuaries also has made racial segregation economically and socially functional for metropolitan businesses and residents. Firms and families intent on reducing contact with blacks and other minorities, by not merely distancing themselves from concentrations of minority settlement within cities, but actually moving to jurisdictions where they are diminished or absent, escape the costs of servicing the social needs of poor minority residents even as they get better funded schools and parks, patronized primarily by other middle-income whites.

An additional benefit for those who choose to segregate themselves by jurisdiction as well as geography is the ability to exercise local land-use regulatory powers. In most states, "home rule" has devolved zoning and subdivision regulations to incorporated municipal governments, giving suburban jurisdictions, even very small ones, the power to regulate the kinds of housing and business they will permit within their borders. This means that once middle- and high-income households manage to isolate themselves in the sanctuary of a suburb, they have the power (for a while at least) to resist the metropolitan-wide economic and social forces that would normally make even outer communities more racially and economically diverse. As a result of these stratagems, all U.S. metropolitan areas are intensely segregated

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by race. Large or small, northern or southern, with sizable minority populations or not, most of every area's minorities, and even more of its minority poor, are in its central city. Here is a comparison of central city and suburban minority percentages for a sample of larger metropolitan areas:

	Central city	*Suburban*
Atlanta	69	22
Cleveland	51	10
Detroit	78	7
New York	48	18
Philadelphia	46	13
Sacramento	40	15
Washington	70	18

A matter of size

The magnitude of these intermunicipal distortions is very much related to the central city's share of the metropolitan pie. The larger the central city relative to its metropolitan region, and the more its profile resembles the rest of the region economically and demographically, the better off it will be. Better off, that is, in the sense of a more balanced population and industrial mix and a more secure fiscal foundation. This is the only reason why the sprawling cities of the sunbelt appear much healthier and more vital than the cities of the rustbelt. Having annexed many of their suburbs in recent decades, the municipal boundaries of sunbelt cities encompass a much larger range of metropolitan households and businesses. There is actually far more crime and poverty in the center of metropolitan Phoenix or Dallas than there is in metropolitan Cleveland or Baltimore, for example, but the *cities* of Phoenix or Dallas seem far less troubled, and have far fewer budgetary problems, than the *cities* of Cleveland or Baltimore. An exception is San Francisco, a city so small relative to its region that it comprises hardly more than the metropolitan area's "downtown." As such, it benefits from the cosmopolitan activities and high tax revenues that characterize large metropolitan cores while its limited territory doesn't extend far enough out to capture most of the poverty and costly service needs of typically larger central cities.

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How it happened

The decentralization of metropolitan regions was made possible by advances in transport and telecommunications technology, but federal and state policies going back to the 1950s have been instrumental in accelerating and expanding the process. Federal highway construction programs have paid for the network of expressways that brought the farflung reaches of suburbia within commuting range of metropolitan job sites, permitting the urbanization of a metroplitan frontier far from the edge of the central city. Federal income tax rules and federal home mortgage programs brought home ownership within financial reach of millions of middle-income city residents, creating a market for new housing subdivisions at the metropolitan frontier. Federal water and sewer construction subsidies underwrote the infrastructure of newly created (or at least newly populated) suburban jurisdictions, and federal grants paid for the preparation of their land use and infrastructure plans. And not insignificantly, federal corporate tax rules have made it more profitable for manufacturing firms to build new plants in the suburbs than to rebuild their old ones in the central city.

As the federal government was laying the economic foundation for the sprawling, suburbanized, metropolitan region, state governments devised the fiscal and jurisdictional arrangements which made sprawling metropolitanization functionally possible. Most states created metropolitan-wide (or, as in the case of metropolitan New York, also interstate) agencies to organize critical regional transportation, infrastructure, and environmental functions. All states developed programs of assistance to local governments, especially for schools, which made it possible for even the smallest jurisdictions, with little in the way of taxable commercial property, to offer a full-blown set of municipal services. And of course, as stated earlier, it is state laws and constitutions which devolved service and regulatory powers to localities in the first place.

These federal and state arrangements do not explicitly discriminate against central cities. Central city travelers use the federally financed highways; central city homeowners deduct their property tax and mortgage payments from their income taxes; and central city businesses depreciate their new and rebuilt facilities. Likewise, state aid for education and other local services

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is as essential in balancing the budgets of central cities as it is the budgets of suburbs. The discriminatory impact of these policies lies, rather, in their subsidization of locational dynamics and governmental structures which increasingly handicap central cities vis-a-vis their suburban neighbors. By these policies the federal government subsidizes decentralization and sprawl, and more importantly, the states subsidize the jurisdictional fragmentation which increases segregation by class and race.

This, then, is the context of our decades-long national quest for an appropriate "urban policy." As metropolitan areas grew in population and territory in the decades after World War II and central cities appeared to be increasingly disadvantaged, the rationale for helping them absorb metropolitan-wide problems and fiscal burdens has generally been accepted by liberals and conservatives alike. Disagreements among them have related only to the scale and cost of urban programs.

Aid to the cities

At the federal level three forms of assistance have been offered to the cities. The costliest and most comprehensive, though not explicitly billed as urban policy, has involved expanding the eligibility and benefits of welfare and health programs for the metropolitan (mainly central city) poor, with their funding shared by the federal government and the states, but their management (and a share of the states' costs) assumed by municipalities. Then, in urban policy at its most self-conscious, central cities have been invited to apply for assistance in a variety of categorical programs (housing, infrastructure, job training, law enforcement, compensatory education, etc.) under terms where limited funds are awarded competitively, making applicant cities prepare elaborate plans and justifications (and exercise some political muscle) before they receive any funds. Among the most visible fruits of the categorical repertoire are the dramatically redeveloped cores of U.S. metropolitan areas, which have transformed the appearance, if not the economic base, of most large central city downtowns.

Finally in the early 1970s, Congress launched unrestricted "revenue sharing" and "block grant" programs which, by tying levels of aid to population and indicators of distress, directly engaged the fiscal needs of central and satellite cities. The most

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generous and functionally non-specific of these programs, "general revenue sharing," was relatively short-lived, however; it was terminated in 1986. What remain are programs of functionally targeted, but relatively unrestricted, local assistance for community development, social services, and education.

As for the states, aside from picking up the non-federal share of public assistance and health grants, most provide substantial assistance to local communities for education, and many also supplement local funding for social and health services, roads, and criminal justice. Most state programs of local aid are supposed to be correlated with local "need," and aim to compensate for variations in local government tax bases.

Programs of federal and state intergovernmental aid have been promoted by urban liberals to ease the fiscal burden of the central cities and the more hard-pressed suburbs. Less explicitly, these programs, by making the fragmented distribution of resources within metropolitan regions tolerable, have been accepted by the affluent majorities outside the cities because they facilitate the white middle-class suburbanization of metropolitan regions and maintain the indefinite concentration of low-income minorities in the central cities and some older suburban satellite cities.

Thus, what American urban policy really amounts to is a kind of Faustian bargain struck by the leaders of the cities and the residents of the expanding suburbs: the cities agree to serve increasingly as the poorhouses of the metropolitan community, as long as the suburbanites—with Washington and the state capitals acting as brokers and intermediaries—underwrite the extra costs this role imposes. This bargain has, after three decades of fitful implementation, broken down. For one thing, the growing stringency of federal and state budgets has caused both governmental levels to renege significantly on their part of the bargain, prompting howls of outrage from the nation's mayors and their partisans in Congress and the media. As a result of recurrent cuts in federal and state aid most central and satellite cities are having great difficulty balancing their budgets without draconian reductions in local services or excessive levels of taxation.

But there is a more profound problem with this metropolitan compact. No matter how much support they receive as compensation, the cities should not agree to play the role of metropoli-

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tan poorhouses if they want to survive as healthy urban communities. Central and satellite cities populated disproportionately by poor, often minority, households, plus an aging cohort of middle-income families leavened only by a small cadre of "yuppies" near their downtowns, will face increasing strains on their educational, social, and other municipal services, along with soaring rates of crime, homelessness, and other problems. The unrelenting diminution of their quality of life will almost certainly persuade many of their remaining successful businesses and middle-income families to decamp for more pleasant communities in the suburbs. Even a continued resurgence of the cities' downtown cores will only partially offset the damage wrought by such a negative downward spiral. And, bear in mind, only the largest and most cosmopolitan of U.S. metropolitan areas can sustain vibrant central business and residential districts.

A new approach

Therefore, the next wave of national and state urban policies should not merely reinstate or enlarge the established approach of reimbursing disadvantaged cities for discharging their poorhouse obligations. It should aim, instead, to promote a healthier and more economically natural distribution of regional resources and responsibilities. What does this mean in terms of specific policy objectives and concepts?

What is *not* being proposed is any form of metropolitan-wide government. A scheme of metropolitan governance as proposed, for example, by David Rusk in *Cities Without Suburbs*, is not politically viable in most regions of the United States, nor is it especially desirable. The idea would obviously be opposed most bitterly by suburban municipalities and their legislators. But it might not be enthusiastically embraced by central city politicians and their constituencies either, because of the resulting loss of central city autonomy in situations where cities would be outnumbered by their suburban partners with respect to service needs, priorities, and the allocation of revenues. Metropolitan government also does not make much sense logistically. Most metropolitan areas are simply too extensive and populous to submit to any form of centralized regional decision-making or management. In fact, the larger central cities, which comprise half or less of their metropolitan areas, are increasingly ungov-

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ernable from city hall. The sunbelt cities (like Rusk's Albuquerque) still engage in a form of metropolitan government, as the central cities expand into the suburbs by annexation. This has been tolerated by suburbanites as the price for obtaining access to regional infrastructure systems to serve their rapidly growing populations. But even in the sunbelt, metropolitan government may not play well in the long run.

What is also not being proposed is an attempt to reverse the natural decentralization of metropolitan industries, as with federal, state, and local initiatives aimed at "re-industrializing" inner city economies. Decades of experiments in local "economic development" have proven to be as futile as they are costly. The new service industries that have arisen in many metropolitan cores have developed naturally, their existence rarely attributable to either the economic vision of local governments or the effectiveness of targeted subsidies.

Leveling the field

The most useful "urban policy" that federal, state, and local governments could pursue is one that promotes a more *level metropolitan playing field*. A metropolitan playing field is "level" 1) when its municipalities can be relatively indifferent to the mix of residential and commercial activities inside their borders, because no particular mix will confer a windfall or presage a disaster, and 2) when individual metropolitan households or businesses can be relatively indifferent to their municipal address as long as their site-specific needs—such as accessibility or particular services or amenities—are being met. On a level metropolitan playing field neither the governments nor the residents of metropolitan localities, central city or suburban, would be hostage to their municipal economic, social, or demographic profiles, and they would have no incentive to pursue a beggar-thy-neighbor quest for regional comparative advantage.

Helping U.S. cities to compete on level metropolitan playing fields may prove no less difficult than earlier objectives of urban policy, but to the extent that such a program could be implemented, it would at least address the fundamentals of the American urban dilemma.

Four specific policy initiatives would be instrumental in leveling the metropolitan playing field. All might meet strong politi-

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cal resistance if proposed in their purest or most logical form. But all have already been accepted in principle, as well as in practice, at one time or another. Moreover it is not evident that new versions of old-style, pre-Reagan urban policies would meet any greater political acceptance.

1) Break the nexus between services to disadvantaged households and residence in a particular jurisdiction. Programs of income and health assistance, as well as poverty and child-related social services, should be funded and managed at the national or state level, their benefits available (like Social Security) to eligible households without regard to place of residence. Making public assistance, social service, or health benefits portable, at least within states, and administering and funding them entirely at a higher-than-municipal level of government, would do two things. It would lift the most onerous service and fiscal burdens from local jurisdictions with the largest disadvantaged populations, especially the cities. More importantly, it would permit the disadvantaged and dependent households of the cities to settle anywhere they wished within metropolitan areas. Many of these households might prefer to stay where they are, but a large number might find cheaper homes, better jobs, or more responsive municipal services in the suburbs. The greatest incentive for the poor to leave central city ghettos would be the lure of safer, cleaner, more attractive—and cheaper—suburban neighborhoods. The portability of Social Security, for example, has permitted older Americans to escape bad neighborhoods as well as bad weather. The principle of portable benefits has, of course, been enshrined in Social Security and Medicare from their inception. It is only an accident of welfare policy history that income maintenance and health benefits for the poor were originally treated differently. And Daniel Patrick Moynihan almost succeeded in persuading President Nixon and Congress in 1971 to adopt a portable national welfare system.

2) Use state and federal aid to localities to level the regional fiscal playing field, rather than to promote categorical objectives. Programs of state and federal assistance to localities should be aimed primarily at smoothing out disparities in municipal revenues. As it stands, the uneven distribution of businesses and households, driven by metropolitan-wide economic factors, creates enormous variation in local tax bases, even among suburbs.

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These disparities have been partially addressed with formula-based, functionally specific state and federal aid. But these categorical grants have been a decidedly mixed blessing for their recipients, as attached strings and mandates often generate greater local costs than benefits. In the interest of fairness and true fiscal relief this assistance should be replaced with unrestricted grants, allowing municipalities to set their own service priorities and standards. Such a policy was actually embodied in an explicitly countercyclical federal revenue-sharing program between 1972 and 1986, which during its brief existence provided critical budgetary relief for cities hard hit by the recessions of the mid-1970s and early 1980s. It should be restored at the state as well as federal levels, but only to the extent that it replaces categorical grants.

3) Prevent localities from employing land-use and other regulatory powers to shape their population or economic base, or to secure competitive advantage over other metropolitan communities. States should make sure that the regulations of all metropolitan localities make room for balanced and rational growth. Municipalities have a legitimate objective in deploying regulations to protect, as the national and state constitutions permit, the general health and welfare of their residents. But many suburban communities go much further. When they reserve almost all of their residential land for single-family houses on large lots, when they ban multi-family housing or commercial activity, when they set impossible environmental standards, or restrict new development through policies of "growth management," they go too far. They are motivated at best by a wish to secure a beneficial quality of life at the expense of their metropolitan neighbors, or less justifiably by a wish to recruit a favorable local demographic and economic mix. Either way, they are using public powers to achieve largely private benefits. States, holding the actual constitutional power of local land-use regulation, should restrict its use to legitimate health and welfare issues. Some states, like New Jersey under its "Mount Laurel" rules and Massachusetts with its "fair share" program, already make their suburbs accept some quotient of "affordable" housing. But such policies would be more effective, as well as more acceptable politically, if, rather than specifying some level of economic integration, they merely restricted the scope of local development regulations which impede it.

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4) Encourage central cities to decentralize the management and delivery of basic services. With most central cities anywhere from ten to three hundred times larger than their suburbs, they are simply too large to effectively deliver municipal services to their neighborhoods. One of the most important advantages of suburbs over central cities is the manageable and responsive scale of their municipal service delivery. But this is an advantage that the cities can secure for themselves by devolving to their neighborhoods the provision, and perhaps budgeting, of many of their locally based services such as schools, police, sanitation, etc. They could spend more if they wanted to tax themselves more; at the very least they could set their own budgetary priorities. Many cities have wards or other sub-municipal administrative districts, but they rarely have much authority, and almost never their own funds. Cities should be encouraged and assisted in designing and implementing plans that effect meaningful decentralization, giving their neighborhoods roughly the powers of a typical suburb.

In combination these policy ideas, if implemented even in part, would go a long way toward mitigating some of the thorniest aspects of U.S. "urban" problems. They would permit the country's poorest households to escape crumbling central city ghettos. They would begin to reverse the extreme level of intrametropolitan racial and class segregation. They would reduce the managerial and fiscal burdens of city governments, which have had to deal with the social problems of their regions' poor. And they would eventually restore a more natural, and more efficient, distribution of homes and businesses across the metropolitan landscape, as people and businesses chose sites for their intrinsic benefits, rather than their municipal jurisdiction, and received the same governmental services wherever they chose to settle.

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Commencement at McGill

CHARLES KRAUTHAMMER

LET ME BEGIN by saying how deeply honored I am by the honorary degree you have conferred upon me and by the invitation to deliver the commencement address at a university for which I have such respect and affection. And let me apologize for speaking entirely in English, my French having suffered the disuse of living in a land so vast that bilingualism is considered, except for the newest of immigrants, an exotic intellectual acquirement.

Antoine de Rivarol once said: "*Ce qui n'est pas clair n'est pas français.*" I shall not be *français*. But I hope to be *clair*. Even more important, given the fact that after long years of sweat and study I am the last thing that stands between you and your diploma, I shall be brief.

Exactly twenty-three years ago, in this very building, I was sitting in your seat. What I shall offer you today is a reconnaissance report from a two-decade life expedition into the world beyond McGill College Avenue. Like Marco Polo, I return—but without silk, with few stories, indeed, with but three pieces of sage advice.

First, don't lose your head. I'm speaking here of intellectual fashion, of the alarming regularity with which the chattering classes, that herd of independent minds, are swept away by the periodic enthusiasms that wash over the culture.

Not a decade ago, for example, the West was seized with a near-mass hysteria about imminent nuclear apocalypse. Tens of millions of my countrymen, including the intellectuals who should have known better, were in the grip of a nuclear anxiety attack. The airwaves, the bestseller lists, the Congress were filled with dire warnings about our headlong dash to the nuclear abyss. It was quite a scene.

These remarks were delivered June 14, 1993 in Montreal at the McGill University Convocation.

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A political movement rose to avert the End. It was the nuclear freeze movement and its slogan was "The freeze: Because no one wants a nuclear war," as if those who resisted the freeze were in favor of nuclear war. Indeed, those who refused to lose their heads to the hysteria were diagnosed as suffering from some psychological disorder. "Nuclearism," "psychic numbing" it was called.

Ten years later, with nuclear weapons still capable of destroying the world many times over—not a word about the coming apocalypse. The fever has passed.

But not the propensity for fever. Another day, another fever. With the end of the Cold War, with nuclear apocalypse now out of fashion, the vacuum is filled by eco-catastrophists predicting a coming doomsday of uncontrollable pollution, overpopulation, and resource depletion.

Some prefer their catastrophes more mundane. For them there is economic apocalypse. Look at the best seller list. It is hard to think of a time when it did not feature a *Crash of Nineteen-something* book. A few years ago, it was *The Crash of '79*. Then *The Panic of '89*. (Same author, by the way.) Today it is *Bankruptcy l995*. The idea is the same. Only the date gets pushed back.

Do not misunderstand. There is a nuclear problem, especially in the form of nuclear proliferation. There are environmental problems. And every society has economic problems. But there is a difference between a problem and panic.

So the next time you find yourself in the midst of some national hysteria with sensible people losing their heads, with legislatures in panic, and with the media buying it all and amplifying it with a kind of megaphone effect, remember this:

Remember that a people—even the most sensible people—can all lose their heads at once.

Remember the tulip craze that swept Holland three centuries ago, an orgy of panicked financial speculation in which, as historian Simon Schama tells it, "tracts of land, houses, silver and gold vessels and fine furniture were all commonly traded" for tulips. At the mania's peak, a single Semper Augustus tulip could fetch twenty townhouses.

Remember that when the people or the legislature or the media approve something with unanimity, they're probably wrong. Remember the Gulf of Tonkin resolution which essentially launched the United States into the Vietnam war. It passed the U.S. Senate 88 to 2. It passed the House 410 to 0. That should have been a warning.

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In the old Soviet Union, where the commissars would routinely rewrite and rearrange history to fit their political needs, there was a saying: In Russia, it is impossible to predict the past. In Israel, at the time of hyperinflation some years ago, it was said: In Israel, it was impossible to predict the present. Well, in the normal, bourgeois, middle-class, democratic West, one should say, when confronted with the apocalypse du jour: Here, it is impossible to predict the future. So when confronted with a national riot of dread: Keep your head.

LESSON ONE. LESSON TWO: Look outward. By that I mean: Don't look inward too much. You have been taught—rightly taught—Socrates' dictum that the unexamined life is not worth living. I would add: The too-examined life is not worth living either.

Perhaps previous ages suffered from a lack of self-examination. The Age of Oprah does not. Our problem is quite the opposite.

One of the defining features of modernity is self-consciousness: psychological self-consciousness as popularized by Freud; historical self-consciousness as introduced by Hegel and Marx; literary self-consciousness as practiced in the interior, self-absorbed, self-referential world of modern fiction.

We live in an age in which the highest moral injunction is to get in touch with one's feelings. Speaking as a psychiatrist—well, a psychiatrist in remission—I can assure you that this is a highly overrated pursuit.

The reigning cliché of the day is that in order to love others one must first learn to love oneself. This formulation—Love thyself, then thy neighbor—is a license for unremitting self-indulgence, because the quest for self-love is endless. By the time you have finally learned to love yourself, you'll find yourself playing golf at Leisure World, having outlived those you might have loved.

"Love thy neighbor" was supposed to be the hard part of the biblical injunction. Sometimes it seems as if all of America is working on the "thyself" part—almost a definition of narcissism.

In my country, this obsession with self-regard has deeply affected modern pedagogy. A recent international study compared the mathematical proficiency of thirteen-year-olds in six advanced countries. The United States ranked last in mathematical ability, Korea first. The kids were then asked to rate how good they *thought* they were at math. The Americans were number one.

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They couldn't add, but they felt good about themselves. In other words, they were a modern pedagogical success, the principal aim of primary education today being to instill students with self-esteem. Reading, maybe. Writing, perhaps. Arithmetic, someday. But self-esteem above all. There seems to be no conception that perhaps self-esteem *follows* achievement. It is what comes with a sense of mastery.

The story is told of the Sultan who awoke in the middle of the night and summoned his wizard. "Wizard," he said, "my sleep is troubled. Tell me: What is holding up the earth?"

"Majesty," replied the wizard, "the earth rests on the back of a giant elephant."

The Sultan was satisfied and went back to sleep. He then awoke in a cold sweat and called the wizard back immediately. "Wizard," he said, "what's holding up the elephant?"

The wizard looked at him and said, "The elephant stands on the back of a giant turtle. And you can stop right there, Majesty. It's turtles all the way down."

My friends, don't get lost in the study of turtles. Endless, vertiginous self-examination leads not only to a sterile moral life, but to a stilted, constricted intellectual life. Yes, examine. But do it with dispatch and modesty and then get on with it: Act and do and go and seek. Save the psychic impact report, the memoirs, and the motives for later. There will be time enough.

WHICH BRINGS US to lesson three. When you do act and go and seek, what to do? Everything. But above all this: Save the best.

Conserving what's best in the past is, well, conservative advice. It was the advice of Chesterton who defined tradition as the democracy of the dead. Tradition is the ultimate democracy because it extends the franchise to generations past and benefits from their hard-earned wisdom.

Now, in this country, in this city, and at this great university, saving the best means something very particular. It means saving your remarkable and almost unprecedented historical achievement in ethnic coexistence.

North America offers the world two models for ethnic coexistence. The American model is the melting pot, where all are supposed to be turned into Americans upon arrival at Ellis Island. Canada, a different place with a different history, offers a different model. It offers the model of shared sovereignty between two constituent peoples who have learned to live in sometimes fractious but respectful and fruitful proximity.

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But what the American and Canadian models share—and what is so often overlooked amid the inevitable imperfections of this blessed continent—is their success. It is no accident that when boat people are found floating on some distant sea their preferred destination is almost invariably North America. Not just because of its prosperity. Not just because of its democracy. But because of its ethnic harmony. We have figured out how to live together without raging ethnic strife.

I find it deeply moving that today in the Bosnian town of Srebrenica, where 20,000 Muslims are surrounded by Serbs, where peoples that have lived in proximity to each other for centuries are now at each other's throats—in Srebrenica, that symbol of ethnic intolerance, there are today 300 Canadian soldiers sheltering the innocent. Soldiers from a country that might have been Yugoslavia serving as protectors in a country that is Yugoslavia.

It has been said that the Balkans produce more history than they can consume locally. That is why multi-ethnic non-locals—Canadians, French and English—must go there, in the name of coexistence.

I have no particular advice, nor does my country, on your constitutional conundrums, on your paradoxes of language and rights. I merely wish to encourage you to cherish the coexistence—no, not the coexistence, the mutual enhancement—that characterizes this country, that calls its people to serve in places where these lessons are never learned.

This idea of mutual coexistence and enhancement is particularly resonant for you who have just passed through this great university. It is the pride of Canada and of McGill to have harmonized two cultures in such a remarkable and fruitful way.

It is a legacy not to be thrown away. In the United States, there are those who are prepared to throw away the traditional, successful, American approach to ethnic diversity and begin counting by race. It is a dangerous and thoughtless course that we will one day regret with Balkan intensity.

Similarly the Canadian solution of dignified, respectful if sometimes disputatious coexistence between two great peoples is one too precious to be thrown away. Save the best.

Look outward.

Don't lose your head.

End of sermon. Now go out and change the world. My congratulations and best wishes to you all.

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Is culture the culprit?

AARON WILDAVSKY

THEORY IS GOLDEN. In its normative mode, it connects us to what we ought to do; in its empirical expression, it connects what we have done to the actual consequences for ourselves and for others. *The Dream and the Nightmare: The Sixties' Legacy to the Underclass*[†] is important because it presents a theory explaining how the policies born of the moral vision of the 1960s created unfortunate consequences both for those the policies were designed to help and for those who wrongly believed they were helping.

There are philosophers of social science who believe that its proper subject matter is unintended consequences. But Myron Magnet goes beyond—as his title has it—connecting the nightmare to the dream. He uses the understanding gained from what went wrong (the individuals who were "liberated" needed not self-expression but self-development and self-restraint) to chart a better course. I shall first outline Magnet's theory of how we lost our way and might find our way back, and then appraise its internal coherence and external fit with the facts. Like all major efforts to theorize our practices, it leaves room for others to fill in the gaps and extend its reach.

MAGNET BEGINS by asking whether the same system that, after the Second World War, made most people better off (and some rich) also operated inexorably to make others poor. Was this immiseration of the poor, as Marx might have said, made worse by the Reagan administration's gleefully cutting holes in the safety net of social programs? Looking at the evidence—between 1980 and 1987 spending on means-tested programs rose 44 percent while over 18 million new jobs were created—Magnet asks why poor people did not seize the opportunity to work themselves out of poverty in the time-honored American way.

[†]*Morrow. 256 pp. $20.00.*

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Magnet's answer is that "poverty is less an economic matter than a cultural one." His theory is that the poor do not grasp their opportunities but instead "pass on to their children a self-defeating set of values." But what has that to do with the better off? "This book's central argument," Magnet responds, "is that the Haves are implicated because over the last thirty years they radically remade American culture, turning it inside out and upside down to accomplish a cultural revolution whose most mangled victims turned out to be the Have-Nots." What was the content of this revolution?

The sexual revolution, Magnet claims, "ultimately reshaped family life, increasing divorce, illegitimacy, and female-headed families on all levels of society." Hard work, delayed gratification, public decorum, sex within marriage, and the fairness of a capitalist economy were denigrated in favor of personal expressiveness and system blame. Consequently, "Poverty turned pathological . . . because the new culture that the Haves invented—their remade system of beliefs, norms, and institutions—permitted, even celebrated, behavior that, when poor people practice it, will imprison them inextricably in poverty."

There is, I think, no doubt about the harms done—rising personal immorality, from mugging to stealing to cheating to broken families to poor school achievement. Nor do I doubt that denigration of work, personal debauchery, and victimology set bad examples for all of us, especially those who, starting out with the fewest financial and cultural resources, need personal responsibility the most. Indeed, I would go further: Self-esteem, one of the important achievements in life, cannot be sought as an end in itself but must come as a byproduct of meeting standards of excellence—taking pride in work, supporting a family, bringing up decent children, learning about life and imparting that wisdom. By essentially telling people that they cannot achieve on their own, victimology robs its recipients of the very self-respect it promises to supply. It is a cheat in the guise of a favor.

BUT WHAT ABOUT the transmission of the values and beliefs that lead to these harms? What evidence is there that the underclass actually imbibe the new culture Magnet evokes so vividly? Indeed, why could the direction of causality not lead the other way around, from the underclass to what I shall for symmetry call the overclass? To get at questions of causality, the content of the cultures under discussion needs to be more precisely specified.

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Magnet denies the culture of poverty thesis as developed by Oscar Lewis and Michael Harrington—"a set of defeatist expectations arising within the ghetto itself in response to overwhelmingly unfavorable economic conditions"—in favor of a model in which the mainstream culture communicates to the poor exactly the wrong message and the most self-destructive values." He rejects the position of William Julius Wilson that restriction of economic choices in an increasingly technological society creates conditions for bad behavior. Rather than regard individuals as products of blind forces they cannot control, Magnet sees human beings as the active shapers of their own consciousness. On this last point—individuals are both shaped by and themselves shape their surroundings—I concur.

His disagreement with Charles Murray, whom he calls the best analyst of the underclass, deepens Magnet's active conception of culture. Murray argues that recipients of Aid to Families with Dependent Children (AFDC) face incentives at every step that make them better off materially by not working, only to discover that the sequence of choices has left them so badly off they cannot climb out of the hole society has helped them dig. Magnet feels this explanation does not go nearly far enough. For instance, he asserts that it cannot explain why all the indicators of social dissolution began to go wrong at the same time—crime, dependency, addiction, on and on. "In the end," Magnet finds, "the world Murray paints, with its heartlessly mechanical interplay of incentives, seems aridly devoid of values. Its inhabitants seem mere passive responders to external incentives, not free moral agents with lives and fates that have moral significance."

What would Magnet add to Murray? In passionate tones, Magnet asks and answers the critical question: What do you expect women who can choose pregnancy, then AFDC, to do? How can they say no? "Because," he cries, "it is right!" He wants these potential welfare clients to ask of each act, "What kind of person will I be—who will I become—if I do this?" While I doubt Murray would deny that poor people who buy into defeatist expectations reinforce negative behavior that keeps them poor, Magnet's cultural theory adds to explanations by Wilson and Murray without denying their validity as far as they go.

AT ONE POINT Magnet writes that "Like a collapsing star sucking a rush of matter into its dense, dying mass, underclass culture exerts a vast gravitational force that not only sways those within it but radiates even beyond." If underclass culture is so powerful, however, why is there all this talk about how the

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overclass is imposing a new culture on it? In short, if "you can't compete with the streets" (a phrase Magnet uses with full self-awareness), why is he claiming the overclass does just that? He denies one possible contradiction:

> At this point, my argument must seem almost self-contradictory. On one hand I hold that an infusion of mainstream, conventional respectability in outlook and actions auspiciously transforms the underclass. On the other, I argue that the culture of the Haves mightily contributed to the formation of the underclass. Am I not ascribing two diametrically opposed effects to mainstream culture?
>
> But the paradox isn't in my argument. It is, instead, in mainstream culture, which over the last thirty years has transmitted to those at the bottom of society anything but conventional respectability.

If individuals shape their own way of life, we now have two levels of causality to contend with: *not only who transmits which values and beliefs, but what they make out of what they receive.*

When Magnet reports an interview in which a New York investment banker spoke of a "man and his wife slogging away in menial jobs that are dead-end jobs, with three kids, trying to deal with an environment that is very depressing" as "people who are living dead-end lives," he asks rhetorically, "What message are members of the underclass to get? That at least they are not dumb enough to make a dead-end choice like a low-pay job?" The language he uses ("What message," "not dumb enough," and, in the next sentence, "can't help learning") suggests the difficulty. How does Magnet, or anyone else, know how this sort of message is received? It is one thing to agree with Magnet's vibrant accusation against public practice—"We have abandoned the mad to the streets in the name of a liberty that mocks them"—and another to provide evidence that members of the underclass internalize these views so as to act differently than they otherwise would. In this instance, Magnet provides a connection between the movement to end involuntary hospitalization and the comments of a mentally ill woman ("I was not insane; I was homeless. I was a political prisoner.") Presumably she did not originate the thought in her last sentence.

Magnet shows that important people believe in victimology. He demonstrates that holding people responsible for their own actions is called "blaming the victim," a phrase up from 155 mentions in the Nexus index in 1987 to 495 in 1991. He reveals a great deal about the kind of messages being broadcast. If received as intended, they would, I think, be harmful, but he stops short of showing that they are. We do not

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really know whether "the idea of victimization paralyzed the black poor in the face of opportunity precisely by encouraging them to think of themselves as helpless victims" or whether "prompted by the culture of the Haves, children of upright black workers were quick to see their parents' admirable attitudes as a badge of servility and inferiority." For that leap we need evidence.

THE PROPOSALS MAGNET makes are clearly based on the values of right conduct he enunciates. He would not allow unmarried mothers to set up shop in their own apartments. He "would make a wholesome distinction between the widowed and divorced mothers of dependent children—women who have made a public, legal commitment to the ideal of a stable family but who have lost their husbands—and those women, generally very young, who have embarked on motherhood with no such sense of responsibility or commitment." He would require them to live in supervised group homes and to work. If they did not comply, he would have the state take the kids away.

Magnet wants the society at large, the overclass:

> to stop making the problem worse. *Stop* the current welfare system, *stop* quota-based affirmative action, *stop* treating criminals as justified rebels, *stop* letting bums expropriate public spaces or wrongdoers live in public housing at public expense, *stop* Afrocentric education in the schools.

It is not more material resources (he demonstrates that huge amounts are already being spent) but moral resources that Magnet believes are the beginning of the solutions to the problems of poverty, race, and homelessness that bedevil American society.

Human behavior is notoriously difficult to change. This stubborn recalcitrance has its advantages; the once feared but now known to be mythical "new Soviet man" is mute testimony to that. The horror at observing the emergence of amoral youngsters, who hold life cheap, theirs as well as ours, has disturbed people of all political persuasions. There is more common concern, in my experience, than meets the public eye. In private, conservatives can be heard to wonder if they have done enough, though their ambivalence shines through as they also wonder whether anything would be enough. Liberals, *sotto voce*, fear that they have somehow unwittingly done (or failed to do) something that has brought this human plague upon us and upon "these people." Probe a bit beneath the surface and most people, irrespective of race, religion, class, or ideology, would like to know what to do.

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Magnet offers two pieces of advice, one positive and one negative. The negative part consists of stopping what is now being done—subsidizing illegitimacy and rationalizing wrong action. The positive part consists of trying to encourage habits of individual responsibility. The methods include requiring work and training in parental responsibility. Though Magnet proposes the most stringent requirements I have come across, they are not far from Democrat Mickey Kaus's prescriptions, a sign of growing willingness to consider the once unthinkable thought of reversing the moral direction of social welfare policy. Magnet's proposals are also in line with his theory: Change the culture and you change the behavior. But how likely is that?

IN ORDER TO BEGIN to answer questions of cultural change, it is necessary to know, culturally speaking, where we are compared to where we wish to go. Clues abound. Magnet observes that "the impulse to protect the Have-Nots from oppression went far to prevent the police from curbing . . . disorder." What sort of people, sharing which values and beliefs, justifying which kind of social relationships, I would ask, would believe "that the order-keeping function of the police was yet one more instrument by which the authority of society was used to harass the Have-Nots"? What culture views authority as oppression? Who would believe that "the offenses of juvenile offenders became prima facie evidence of the unjust conditions in which they lived"?

To take a tack that will lead us in the same cultural direction, Magnet wonders why the distinguished jurist and moral philosopher John Rawls made "the condition of the Have-Nots the moral touchstone of any society ... the measure of value." Magnet's summation is worth hearing for what it tells us about ourselves:

> This was an extraordinary development, making the condition of the poor, rather than the overall national wealth or freedom or virtue or artistic achievement or true democracy, the justification of the whole society. Thereafter the Have-Nots, no longer responsible for their own poverty and laden with a weighty but invisible burden of meaning more real than the reality you can see, came to stand as a mute, unanswerable judgment upon the Haves and the social system they uphold.

HAVING COME this far, it can be no surprise to discover that a long line of social workers and sociologists propounded the view "that delinquency was a response to the status anxiety that lower-class youngsters inevitably feel as a result of the relative deprivation industrial capitalist society inflicts upon them.

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The social system, not delinquents, causes delinquency." Delinquency is seen as being imposed on juveniles as if it were a kind of body odor emitted only by the overclass and apparently sensed only by the underclass upon whom it has a criminalizing effect. From what culture does a desire come to create a bottoms-up view of society, in which no individual distinction is worthwhile unless it improves the condition of the underclass, without, it seems, requiring any action on their part, as if they were entirely passive, acted upon but never themselves acting? What these views have in common is a belief in equality of condition as the moral norm of society and hence a commitment to reducing distinctions of all of the kinds of which Magnet approves—between legitimate and illegitimate, workers and non-workers, the achievers and the entitled. Considering that a majority of the major media and many Democratic Party activists are part of the egalitarian culture, they are in a powerful position to defend their preferred way of life.

Part of the romance of the egalitarian culture is the notion that society is full of the variously labeled oppressed, suppressed, depressed who are just waiting to be liberated from the apathy into which society has sunk them. Yet like the proletariat that so mesmerized Marxist intellectuals, the underclass is likely to take its place as another unrequited cultural love object. Why?

Let's look closely at Magnet's evocation of those he variously characterizes as Have-Nots, the underclass, the poor, the homeless. He takes his descriptions from Michael Harrington—"hopeless," "passive," prone to outbursts of violence. "To be poor is not simply to be deprived of the material things of this world. It is to enter a fatal, futile universe...." In Magnet's own words:

> The culture of poverty—poverty's worldview and way of behaving—is characterized by an ingrained lack of aspiration and a sense of futility that grips not just individuals but whole communities, a depression that is economic and spiritual at the same time. People grow up fatalistic, solitary, a prey to mental illness, their lives marred by broken marriages, drunkenness, and crime. They don't defer gratification or save for the future: why would they, in a barren environment where pleasure deferred is probably pleasure lost?

That's it: The culture of poverty is fatalistic. It is not that fatalists do not want to do better; they believe that nothing they can do will improve their condition. If people believe that the world operates at random and human nature is untrustworthy, they won't trust, save, invest, delay gratification, take responsibil-

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ity, or be active in their own behalf other than to avoid the unremitting harm emanating from the world outside. Fatalists are as unresponsive to the advances of the egalitarians—for members of the underclass do not believe anyone else can help them—as they are to the coercion of Magnet's cultures, for they do not believe they can help themselves. The conundrum is that fatalists need positive experiences to persuade them that there is a point in trying; but favors that come without trying do nothing to persuade them that they can get anywhere by their own efforts.

It remains to take the author at his word about the kind of culture he approves. Progress, Magnet argues, whether in art or economics, comes from culture—from institutions that reward work and inventiveness. In sum, Magnet calls for a culture in which people believe that:

> everyone is responsible for his or her actions; that we believe in freedom under the rule of law, and that we enforce the law scrupulously in all neighborhoods; that the public, communal life is a boon, not an oppression; that everyone has equal rights, and rights belong to individuals, not groups; that we are free to shape our own fate.

Which cultures value free will, individual responsibility, the rule of law, equal opportunity (but not equal conditions), and hence acceptance of inequality of income and merit? We are in the midst of a cultural coalition (once called the Establishment when it was established) made up of competitive individualists (economic conservatives) and hierarchical collectivists (social conservatives). The success of fundamentalist churches in redirecting fatalists is explained by their strict demands for behavior appropriate to one's station in life, enforced by an enveloping hierarchical structure.

NOW WE ARE in a position to rephrase the question with which we began: Is the simultaneous rise of an egalitarian culture with growing political power and a fatalistic underclass that imposes great harm one of cause and effect, so that the removal of the egalitarian cause will lessen the fatalistic effects, or is it the underclass that gives rise to egalitarianism, so that inequality must decline before fatalism? Or are egalitarians and fatalists locked in a symbiotic embrace, as Magnet implies, each justifying the other's counterproductive behavior? Whether the rapid rise of fatalism began as an indigenous development or is a response to external conditions, however, it has now acquired a force of its own.

What, with our limited understanding, should be done? At

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the least, the overclass should follow Magnet in refusing to confirm the underclass's fatalistic worldview. Stress should be placed on the predictability of the natural world and the need for institutions to help make life more predictable. Disorder is a confirmation of fatalism. Yet speaking as we are about the behavior of the overclass, the difficulty becomes apparent: The polarization of political activists between egalitarians and the once-established cultures for which Magnet speaks so eloquently prevents a concerted attack on the fatalistic culture that keeps its adherents poor.

Several times Magnet rightly lets us know that the intersection of poverty and race is critical to understanding the American condition. When Gunnar Myrdal wrote decades ago about the American dilemma, he had something else in mind: Most Americans were agreed that the values of the established cultures—equality under the law and equal opportunity—had been systematically violated for black citizens. The problem was how to act so as to realize values we held in common. Nowadays the new American dilemma is that Americans in positions of power believe that equal opportunity and equality under the law lack meaning unless they are accompanied by greater equality of condition. Nowadays—hence the confusion and consternation Magnet so ably reports—our dilemma is that we do not agree about what ought to constitute, to use the old phrase, the American way of life. It is not just the struggle for the soul of the underclass but for the soul of America, which we once called "our" America, that is revealed in this immensely valuable book.

Aaron Wildavsky
1930-1993
Valued friend and contributor

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The Tao of community

JOSHUA ABRAMOWITZ

IT'S A GOOD TIME to be a communitarian. Not only is the philosophy *au courant* in the press and in academia, but even our president got his job partially by invoking communitarian ideals (more responsibilities, fewer rights) and pushing for communitarian public policies (national service, campaign finance reform, welfare reform). And if that president hasn't lived up to those promises, no matter: One of his advisors (William Galston) is a leading communitarian, so there's still room for hope.

Now that they have the national ear, just what is it that communitarians have to say? Americans, they argue, have become obsessed with rights, and neglectful of responsibilities. They want to be represented by juries, but not to serve on them. They want a government that caters to their every need, but collects little in taxes. They want marital freedom, but neglect the consequences—the children—of these unions. And so on.

By that definition, communitarians are conservatives. But as Amitai Etzioni's new book, *The Spirit of Community: Rights, Responsibilities, and the Communitarian Agenda*†, reveals, that's not quite true. Etzioni, a distinguished sociologist, is communitarianism's guru. He intends his book to be the communitarian manifesto, one that will rally ordinary, mainstream people to his cause.

To Etzioni, the story of contemporary America looks something like this: In the fifties, people did as they were told. The walls of social restraint kept the peace, but also maintained social injustice. Then, in the sixties, Americans learned to question, and began removing walls. Unfortunately, by the eighties, that had gotten out of hand—the walls of social restraint were almost entirely torn down. The result was social chaos, manifested in many forms, from crime to greed. Now, in the nineties, Etzioni argues that we can coolly take a look around, survey the damage, and selectively rebuild a few social walls.

†*Crown Publishers. 323 pp. $22.00.*

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This reconstruction starts with the family. Parents, Etzioni argues, are too focused on themselves and on their work. All too often, they pack their kids off to underpaid, uncaring help. What to do? First, there needs to be a change in attitude—parents need to spend more time with their children. To be sure: That's not a call for women to return home. It could be men, too. Also, parents might take advantage of new technology that allows them to work at home. Etzioni's ideal family is neither the Cleavers nor Murphy Brown. Rather it is the Huxtables: working hard, but placing kids and family first.

And, when a marriage hits trouble, Etzioni writes, all too often it simply ends. Often this means that children rarely see their fathers again. So he suggests that society make an active attempt to prevent divorce, in ways both social (premarital counseling) and legal (waiting periods, a mandatory delay before remarrying, better enforcement of child support, and pro-marriage welfare and tax laws).

PERHAPS THESE REFORMS can't do much to change deeply ingrained social trends. Still, they are constructive ideas. Unfortunately, as Etzioni fans out from the family and into society, his reforms become increasingly questionable. His next stop is education. Etzioni is concerned with teaching children how to "develop the basic personality traits that characterize effective individuals" and with making certain that they "acquire core values." In other words, he wants some kind of moral education. Yet Etzioni does not successfully convince the reader that moral education would be the same in practice as in theory. How many parents would want, say, the educational experts who created the New York State multicultural curriculum to teach "core values" to their children?

This is indicative of a deeper flaw. When faced with a problem, Etzioni is all too pleased to call in government. This tendency is widely evident, from his overly sanguine view of national service to this, more extreme idea: "Each city should have a civilian review board whose duty it would be to review the city's procedures to check whether they enhance or hinder the Communitarian nexus."

Still, this is not traditional liberalism. Etzioni not only defends the family and traditional morality, but he also encourages what Tocqueville called "associations"—the many, diverse groups of citizens that come together, independent of government, to do things both for their community and for themselves. A "crime watch" brings citizens together while making the neighborhood safer. And a charity bash is fun for everyone while raising funds for a needed cause.

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That means that Etzioni is mindful of two of the institutions that stand between the individual and the state—the family and the community. But that's it. He goes two for three. In other words, Etzioni's plans for a "moral revival" pay almost no attention to religion. When religion does come up, it is often tied to intolerant excess—religious faith and authoritarian thuggery, Etzioni implies, go hand in hand. Presumably, that's because religions threaten the communitarian agenda: they can be insular and socially inflexible, if not intolerant of some community norms.

SO IF RELIGION is deemphasized, what does Etzioni think will step into the void? He offers hints. He tells us, for instance, that: "Joining a religious order provided a dedicated and ascetic existence in earlier times; more recently, joining the Peace Corps provided an outlet for such altruistic aspirations." His goal seems similar to the one that fellow communitarian Mickey Kaus articulated in his book *The End of Equality*: "The idea ... is that the public sphere will eventually have the sort of primacy to which religions have aspired."

The Spirit of Community—a book written for ordinary citizens—reads like a book written by a social scientist. Etzioni tells something about what we need to do and how it should be done. But there is no zing, little to inspire the reader, and nothing that ever adequately explains why a citizen should make some of the hard choices Etzioni calls for.

Consider a father, debating whether to put his job or his family first, or debating whether or not he should desert his wife and children. Etzioni tells us that "social science findings leave no doubt that happiness cannot be achieved [by placing too much emphasis on 'making it']," but it seems unlikely that that will convince the father to make the choice Etzioni would consider proper. Etzioni would also rely on community pressure and on individual morality. But—since religion has been largely rejected—where will this morality, both individual and communal, come from? What will create it? What will shape it?

Etzioni wants to start a movement, and he isn't shy about saying so. He indicates that this book should be placed in the tradition of such movement-starters as Betty Friedan's *The Feminine Mystique* and Rachel Carson's *The Silent Spring*. Well, caveats aside, a communitarian movement wouldn't be a bad thing. But it's difficult to believe that Etzioni's book could be the force that creates such a movement. *The Spirit of Community* is too lacking in spirit.

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Is liberalism just?

ERNEST VAN DEN HAAG

BY PUBLISHING *A Theory of Justice* in 1971, John Rawls, nearly single-handedly, put political philosophy back on the intellectual map. Although disagreeing with most of his views, I thought Rawls' performance admirable. His arguments were careful, original, knowledgeable, and relevant to important social issues. Unfortunately, *Political Liberalism*,† the current sequel, seems to make political philosophy recondite once more. Rawls explicates, amplifies, corrects and, here and there, adds to his theory; but it remains basically unchanged. The style, always ponderous, has become almost intolerably so, and the writing is now surprisingly careless. Infelicitous phrases abound: "hard decisions seem to have no clear answer." Too many sentences are simply ungrammatical. "Both ... pursue ... at the expense of the other"; or, "Does anyone doubt [for "believe"] ... that the principle of toleration may be mistaken, or that it is wrong to have abolished slavery"; or "so that all may ... improve on what everyone can do on their own." The solecisms are not confined to Rawls' native English. He writes: "*Extra ecclesia* [sic] *nullam* [sic] *sallus*, when meaning to quote Cyprian's "*Extra ecclesiam nulla salus* (which, incidentally, the Church has repudiated).

Although annoying, stylistic carelessness would matter little, did it not carry over into the *obiter scripta* and even arguments. It does. When Rawls writes, "Rational agents approach being psychopathic when their interests are solely in benefits to themselves," he confuses a moral judgement—too obvious and customary to need utterance—with a medical diagnosis for which there is no support. Some persons believe that by being interested "solely in benefits to themselves" they do the best that can be done for others, or that they do what is right. They may be

†*Columbia University Press. 401 pp. $29.95.*

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wrong. But psychopathic? Ayn Rand and all her followers? Max Stirner? Is there any non-circular evidence?

Rawls opposes slavery and favors abortion. Fine. But his argument seems deficient. Slavery is declared unjust because slaves are deprived of freedom and equality. This seems a definition more than an argument, and redolent of circularity. Still, reformulated, it might do for involuntary slavery. What about consensual slavery? Suppose people in Rawls' "original position" decided by lottery who, for a limited period, was to be a slave. Wherein would this be contrary to liberty, equality, or justice? Everybody would consent and have an equal chance. It might be objectionable. But Rawls does not really tell why. (Contrary to J. S. Mill, to deprive oneself of liberty by volunteering to become a slave is, however perverse, to use one's liberty and property rights, just as selling, or giving away, any other property would be.) This issue, however, is remote. Not so abortion.

Rawls favors abortion because "the political value of the equality of women is overriding and this right [to abortion] is required to give it substance and force." There are many good arguments for and against permitting abortion, but this is not one of them—although it is becoming fashionable in legal circles. In substance, Rawls contends that because it is possible for men, but not for women, to have intercourse without risking pregnancy, women must be permitted, even helped, to abort. Yet nature provides many other irksome inequalities. Some should be remedied (e.g., that between sick and healthy persons) though not for the sake of equality; others should not be. Must we promote test "norming" for the sake of equality between those whom nature has made stupid, or lazy, and those who pass tests on merit? Should we permit those burdened by dependents to get rid of them to be equal to those who have none? There must be better grounds than equality for legalizing abortion—compelling need, for instance, or personal autonomy. Incidentally, if abortion is permitted for the sake of remedying inequality, could fetuses produced by artificial insemination be aborted? There would be no inequality to be remedied.

WHICH BRINGS US to equality itself. Together with freedom it constitutes political (essentially distributive) justice for Rawls. Having discarded "desert" because he thinks it a morally indefensible basis for justice, Rawls sees political justice as a family of institutions which provide "a fair system of social cooperation between free and equal persons viewed as fully cooperating members of society." It is "to each participant's rational

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advantage or good" to cooperate, since "fair terms of cooperation specify an idea of reciprocity." (However, Rawls does not ground his notion of justice on self-interest, even though it is prominently featured.)

"Political justice" as equality and freedom is worrisome. After all, injustice is quite possible with equality and freedom. Free persons can be unjust; equal treatment can be equally unjust. The "equal justice" we want involves an equal distribution of justice, not, obviously, of equality, nor of freedom only. Reducing it to equality and liberty impoverishes the notion of justice. Does "*Aperite mihi Portas Justitiae*" really express a longing for equality and liberty and nothing more—or is there some notion of being dealt with according to desert? Perhaps God alone knows what we each deserve, but how can this mean that we are all equally deserving? Surely, we can try to approximate actual desert. Anyway, our ignorance of true desert would at most be a contingent argument for a distribution independent of it, not a justification of any principle for distributive justice, including equality.

The egalitarian idea—so largely a rationalization of envy—did not begin, and will not end with Rawls. Yet I have never seen a persuasive defense of it. The idea is justified mostly by *faute de mieux* arguments: Inequality is not morally justifiable—*ergo* equality is. This won't do. If desert could not be morally deserved, it would not show that we are equally deserving, and deserve an equal distribution.

ONE CAN HARDLY quarrel with Rawls' desire for equal opportunity. However, he pays too little attention to the fact that equal opportunities for unequally gifted persons necessarily produce very unequal outcomes. His "difference principle" is meant to modify them. It ordains that all inequalities of outcomes "are to be to the greatest benefit of the least advantaged"—which would actually make the opportunity to earn and keep income unequal. Why, anyway, "the greatest benefit"? Why exclude inequalities that benefit others more and the least advantaged somewhat less—as long as the latter still benefit? Indeed, why exclude inequalities which do not benefit the disadvantaged at all, as long as they are not harmed? What is wrong if only some gain as long as nobody loses? Sorry to belabor the point, but it is important enough to Rawls to be repeated in many forms: "economic inequalities" must "improve everyone's situation including that of the least advantaged ... those who have gained more than others are to do so only on terms that improve the situation of those who have gained less." In practice, one group seldom gains

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without benefitting others in the process. However, Rawls' moral point is that it is wrong for anyone to become richer, unless everyone's situation is improved thereby, including that of the least advantaged. Now it might be wrong to become richer by making others poorer. (Always?) But Rawls objects to anyone becoming richer unless others do as well. Why? As Vilfredo Pareto pointed out, a society is better off if some become richer without making others poorer. Rawls rejects this view, apparently on moral grounds, without a satisfactory explanation. Perhaps more inequality will lead to more envy. But Rawls explicitly excludes envy as a consideration. Anyway, envy has not heretofore been regarded as a virtue to be institutionalized. Moreover, envy is stimulated most by unavoidable small inequalities, not necessarily pecuniary. The poor, except for Marxists, who seldom are poor, envy their neighbors, not billionaires.

If we were to grant that reducing inequalities is good per se, there still would be problems to which Rawls pays less attention than due. Free societies are far from static. The unequal outcomes produced by equal opportunities will replace those produced by unequal opportunities. This will redistribute inequalities, but not reduce them. Reductions will have to be coerced—which increases inequality between the coercers and the coerced. Further, even if everybody could earn the same net income (Rawls, aware of the need for incentives, does not advocate this), inequality would be reproduced instantly because spending rates differ. You spend your income immediately; I save mine, accumulate, and become rich. Inequalities can be reduced occasionally, but not eradicated.

Rawls never discusses who the least advantaged are. Some may be in that class because they are dishonest, vicious, or destructive, unwilling to "reciprocate," or to subject themselves to any discipline. Should we redistribute to them regardless of what makes them disadvantaged? Others deserve help, and it may be helpful to them; for still others help might make being disadvantaged all too attractive. Current welfare systems have not solved the many problems incident even to minor redistributions.

Some kinds of equality, such as equality before the law, are acceptable to everyone. But equality before the law is not enough for Rawls. It merely enjoins us to exclude everything irrelevant—everything not included by law—from legal decisions and does not equalize much. Unless they help the most disadvantaged, Rawls wants inequalities of power, opportunity, and income to be altogether eliminated, since he has found no moral justification for the unequal distribution of chances and abilities which lead

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to unequal positions. Yet if inequality cannot be justified, it does not follow that equality is *eo ipso* philosophically justified. I can find no moral justification for equality, or, once desert is excluded as a criterion, for any distribtion. The notion of distributive justice remains, in Hayek's phrase, "a chimera."

RAWLS' ATTEMPT to justify equality, however unconvincing, is the best I know of. It made his *A Theory of Justice* justly famous. In *Political Liberalism* he defends it against sundry misunderstandings and criticisms, and insists that free and equal citizens would be rational in favoring equality if they did not know who would benefit from inequality. They would want to avoid an irrational risk. Two questions arise among many: 1) Why would it be rational to be so risk averse? 2) Why would the equal distribution decided on be just? Because it serves everybody's known interest equally? Or because everybody thinks it fair and reasonable? Rawls realizes that this is not enough. He wants to show that equality is morally just by reflecting a "sense of justice." Does he succeed?

As to 1), if the free and equal citizens must choose between, in effect, a lottery and equal distribution, equality does seem rational. Who would want to risk his lifelong fate on the small chance of winning held out by a lottery? However, those in the "original position" are not actually confronted with the usual lottery, in which many persons each get an infinitesimal chance for one of the very few prizes. In the original position everyone's chances of winning are quite decent, because there are many prizes. Although prevented by "the veil of ignorance" from knowing who will win, the free and equal citizens do know that most of them will: Only a small proportion of citizens is likely to be very poor. Since it is small the chances of becoming part of this proportion are slight. If the persons in the original position know the size of that proportion—which they will know since, according to Rawls, they know the general laws of economics—they can actually calculate their statistical chances. (Rawls seeks to deny this knowledge but cannot consistently do so.) It is hard to see, then, why an unequal distribution would appear irrational to those in the original position, unless they are extraordinarily risk averse.

As to 2), Rawls might not like a decision in favor of inequality, however rational, because he may not regard it as fair; but his argument hardly goes beyond a definition of what is normatively

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just. As did Thomas Jefferson, Rawls believes that "all men are created equal" in some moral sense, and that society must reflect as much. Jefferson thought his assertion "self evident" and provided no proof. Rawls tries. His rational, reasonable citizens have "a capacity" for a "sense of justice" and for conceiving the good, which leads them to favor equality. Despite the careful elaboration, Rawls does not seem to provide more proof than Jefferson did. Perhaps normative rules, even contractarian ones, ultimately resist the normative justification one longs for.

I do not want to end without noting that, hidden in what at times seems like an elaborate logomachia, Rawls makes a number of contributions to the discussion of an ideal society. His distinction between political conceptions, which concern us as citizens, and comprehensive doctrines, which do not, is interesting. Political society can and must tolerate comprehensive doctrines without identifying with any, or allowing them to be imposed. This usefully amplifies John Locke.

STILL A CAVEAT may not be amiss. Societies are not based on the best philosophical principles from Plato to Rawls. Such principles explain, suggest, sometimes even influence. But "comprehensive doctrines" are what bind people together in one society, are what make them regard others as fellow humans, as ends in themselves, are what create (limited) solidarity, charity, and a readiness to sacrifice, without which there can be no national community and no national defense. Mutual identification through shared customs, history, emotions and, ultimately, values cannot be dispensed with. Hence the social importance of religion. The comprehensive doctrines from which *Political Liberalism* wants to divorce political society are essential to it; and they may require some support beyond mere toleration. In practice, the separation of political society from comprehensive doctrines can never go as far as Rawls would like—unless the population consists of liberal philosophers.

Considering communism or Nazism, the Europe of the past, or religiously based states such as Iran, nationalism, the former Yugoslavia and the former Soviet Union, one must hope that the rational and the reasonable will not be altogether submerged; one can hardly dare hope that it will prevail. Contrary to Hegel, history never seems to end—not even with *Political Liberalism*.

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